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Austria	Sc122	Indonesia	Rp3100	Portugal	Esc120
Belarus	Sc103	Ireland	Rs2.40	Spain	Rs2.40
Belgium	FrF148	Italy	L1700	Singapore	S\$24.10
Canada	C\$1.00	Japan	Y500	Sri Lanka	Rs12.45
Cyprus	C\$0.20	Jordan	Fls100	Switzerland	Fls100
Denmark	DK10.00	Kuwait	Fls100	Sweden	Sk14.00
Egypt	Fls1.00	Liberia	Fls100	Turkey	TL100
Finland	Fls7.00	Lithuania	Fls100	Tunisia	MT125
France	FrF14.50	Malta	Fls1.25	Thailand	Fls1.25
Germany	DM12.30	Mexico	Ps200	Tobago	Ps100.00
Greece	Dr12.00	Morocco	Dir1.00	Turkey	L600
Hong Kong	HK\$1.20	North	Fls1.00	UAE	Dir1.00
India	Rs12.00	Norway	Fls12.00	USA	\$1.00

PRAGUE SPRING

Time takes toll of Czech emotions

Page 18

World News

Business Summary

Republicans apprehensive about choice of Quayle

The decision by US Vice-President George Bush to pick Dan Quayle as his running-mate in November's presidential election stunned Republicans and fuelled apprehension about the party's electoral prospects. Page 18

Burma still tense
Renewed anti-government protests were reported in Burma, where diplomats put the death toll in last week's riots — officially 95 — at 3,000 in Rangoon alone. Page 4

More Polish strikes
About 400 coal miners at Poland's Morsinek colliery went on strike and port workers at Szczecin joined the widening protest in support of the banned Solidarity trade union. Page 2

Iran-US thaw
A Tehran newspaper closely linked to Ayatollah Khomeini, Iran's spiritual leader, called for the restoration of ties with the US. Page 18

Fishing case for ICJ
Denmark referred an eight-year-old dispute with Norway, over fishing rights around the north Atlantic island of Jan Mayen, to the International Court of Justice at The Hague. Page 2

Singapore election
Singapore's parliament was dissolved and elections called for September 3, over a year ahead of schedule. Page 4

Lebanon in crisis
Hardline Christians threatened to secede from Lebanon if a scheduled parliamentary session elected Syrian-backed Suleiman Franjeh to succeed President Amine Gemayel. Election delay likely. Page 4

Hayden confirmed
Bill Hayden, once seen as an ardent anti-royalist, stepped down as Australian Foreign Minister to become Queen Elizabeth's representative in Canberra. Page 4

Locust threat plea
The Sahelian state of Niger appealed for more international aid to fight locusts and other pests infesting 30,000 square km of its territory.

Palestinians strike
Arabs in East Jerusalem and the Israeli-occupied West Bank went on strike to mark "Jerusalem Day", in protest against Israel's annexation of East Jerusalem after the 1967 Middle East War. In the Gaza Strip a round-the-clock curfew went into its fourth day.

Purge victims found
More than 500 graves of people shot at the height of Stalin's purges have been found in a forest in Byelorussia, the weekly Moscow News reported.

Italian crime wave
Antonio Cossiga, Italy's Interior Minister, held crisis talks in Cagliari, the Sardinian capital, on how to respond to a wave of serious crime. Page 2

Mandela 'out in peril'
Attila de Koch, the doctor treating Nelson Mandela's lung ailment, said there was "no need for concern" over the 70-year-old African National Congress leader's health. His condition was, he said, "well under control". Both in a quandary. Page 4

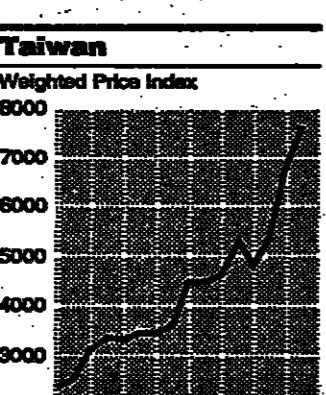
Central bank action fails to brake dollar's surge

THE DOLLAR jumped sharply on foreign exchanges yesterday, shrugging off both central bank intervention and Tuesday's US trade figures. Selling by the Bundesbank and Federal Reserve failed to stop the US currency rising more than four pennies against the D-Mark in London. Against sterling it ended nearly 3 cents higher. Page 18, Markets Page 40

BASF, West German chemicals giant, said that group pre-tax profits rose by 18.2 per cent from DM1.4bn (Fls70m) in DM1.7bn in the first half. Group sales were up 6 per cent from DM2.5bn to DM2.6bn and exports climbed 14 per cent to DM6.5bn. Page 26

HEWLETT-PACKARD, US computer and scientific instruments maker, reported a 30 per cent advance in third quarter earnings to \$192m, or 80 cents per share, from \$146m or 57 cents in the same period of 1987. Page 26

TAIWAN'S stock market was boosted by gains in Tokyo and on Wall Street and on



weighted index climbed 20.34 to a record 7,604.25. Page 40

BRITISH ECONOMIC growth is likely to slow to an annual rate of about 2 per cent next year, according to the latest Treasury comparison of forecasts in the City of London. Page 7

STATOIL, Norway's troubled state oil company, saw pre-tax earnings almost halved in the first half of 1988 to Nkr2.8bn (Fls40.9m) from Nkr1.3bn in the same period last year due to lower oil prices and a lower dollar exchange rate. Page 21

SOUTH KOREAN companies, hit by appreciation of the currency, higher wages and an increase in raw material prices, have experienced a reduction in the rate of income and sales growth in first-half results. Page 22

HERGEN BANK, one of Norway's largest banks, plans a one-for-five rights issue to raise its share capital by Nkr3.027m to Nkr1.75bn (\$263m) in line with new legal requirements for a higher capital ratio to assets. Page 21

TOYS "R" US, world's largest toy retailer, reported a rise in second quarter net earnings of \$23.1m, or 15 cents per share, up from \$16.85m or 13 cents in the year-ago quarter on sales of \$170.2m ahead at \$665.8m. Page 20

ISS, Danish international cleaning and security systems group, increased group pre-tax profits in the first half from Dkr1.85m to Dkr1.87m (\$12.3m) on turnover up by 19 per cent to Dkr3.22bn. Page 21

IBERIA, Spanish national carrier, is considering the purchase of a 49 per cent stake in Pluma, the Uruguayan state airline — soon after the proposed tie-up between Scandinavian Airline System and Aerolineas Argentinas. Page 21

MARKETS

STERLING

New York futures \$1.8912 (1.7015)

London: S 1.8900 (1.7104)

DM 1.9225 (2.1715)

FrF10.9375 (10.8075)

SF2.7100 (2.70)

£/226.50 (228.25)

DOLLAR

New York futures DM1.8085 (1.8885)

FF6.4615 (6.3985)

SP1.8026 (1.8875)

INTEREST RATES

Federal Funds 8.5% (8.1%)

3-month Treasury Bills: 7.25% (7.25%)

Long Bond: 9.61% (9.74%)

GOLD

New York Comex \$401.0 (338.5)

3-month Interbank: 11.5% (11.5%)

STOCK INDICES

New York

London:

Dow Jones

2015.65 (-5.86)

SAP Corp

280.04 (-0.32)

London:

FT-SE 100

1830.9 (+5.6)

World:

125.25 (7.06)

Tokyo

26,178.85 (+282.31)

Frankfurt

1477.4 (+18.2)

Commercialbank

1477.4 (+18.2)

OIL

Brent 16-day (Argus)

\$14.775 (-1.15)

West Tex Crude

\$15.475 (-1.15)

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Republicans stunned by Bush's choice of running mate

Mr George Bush's decision to select the unknown Senator Dan Quayle of Indiana as his running-mate for the presidential election in November has fuelled apprehension about the Republican party's electoral prospects

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In any language, ANZ is Australasia's leading international bank.

35 DEAD INCLUDE US AMBASSADOR • SENATE SPEAKER IS ACTING PRESIDENT

Zia killed in aircraft explosion

By Christina Lamb in Islamabad

THE POLITICAL future of Pakistan was thrown into confusion yesterday following the death of the country's President General Mohamed Zia ul-Haq in an unexplained air crash.

The 64-year-old President was killed along with 34 others when their C-130 Hercules military aircraft exploded shortly after take-off in central Pakistan near Multan.

The dead included Mr Arnold Raphael, US ambassador in Pakistan, and two senior Pakistani military officers — Gen Aftab Abdul Rahman, chairman of the joint chiefs of staff, and Lt-Gen Mohammad Aizaz, chief of general staff.

According to an official announcement, the group had just taken off to observe military manoeuvres being staged by the Pakistani army near the Indian border. There were no survivors.

The cause of the crash was not revealed. It was not known how much credence to give to local newspapers who cited eyewitnesses as seeing a missile being fired at the aircraft.

Ten days of national mourning was declared immediately and an inquiry ordered into the incident. Mr Ghulam Ishaq Khan, the Senate chairman, took over as acting president. He was expected to address the nation late last night after an emergency Cabinet meeting.

A major factor in the future of Pakistan will be the reaction of the army. Pakistan has been under military rule for more than half its lifetime and the army was Gen Zia's most powerful constituency, the President having retained his position as chief of army staff.

Although the future for Pakistan looks uncertain, a return to military rule is unlikely to be tolerated by the public or welcomed by the military. By declaring Mr Ishaq



Khan President, the army has shown its intention to follow the 1973 Constitution.

Significantly, military police, not the armed forces, have taken over the capital. In some areas, the news of Gen Zia's death was greeted with jubilation that the days of one-man rule in Pakistan are finally over.

Opposition politicians were yesterday assessing the impact of Gen Zia's death on plans for the elections in November.

His death appeared to clear the way for a major bid for

On Other Pages

EUROPEAN NEWS

Soviets remain world's biggest arms supplier

By Robert Taylor in Stockholm

THE Soviet Union remains the world's leading arms supplier to the Third World and there is no evidence that Soviet arms trade strategy has been systematically revaluated since Mr Mikhail Gorbachev, the Soviet leader, came to power, according to the Stockholm-based International Peace Research Institute (Spir).

The institute's 1988 report on world armaments and disarmament published yesterday says that last year the Soviet Union exported \$9.5bn of arms to Third World countries, mainly to India, Iraq, Syria and Angola. This compares with the US, the second biggest arms supplier, who exported \$5.5bn worth of arms to developing nations.

Spir estimates that the Soviet Union has a 30 per cent share of the Third World arms market and it believes that "Kremlin policy-makers" are continuing to use arms sales as a "major policy tool and principal hard-currency earner."

The report argues that glass has not yet illuminated Moscow's arms sales decision-making process, which remains almost completely unknown outside the Soviet

17 killed in Russian train crash

By Hilary Barnes in Copenhagen

THE DANISH Government has decided to take a dispute with Norway over the maritime economic zone round the remote North Atlantic island of Jan Mayen to the International Court at The Hague.

The two countries have failed to find a solution to rival claims in eight years of negotiations, but Mr Thorvald Stoltenberg, Norway's Foreign Minister, was quoted yesterday as saying he still hopes that the two countries can reach a solution among themselves.

The 144-square mile island, an infertile volcanic rock inhabited only by the 30 staff of a meteorological and radio station, belongs to Norway. It is about 600 miles from the Norwegian coast and 285 miles from the east coast of Greenland, which is a Danish dependency.

In 1980 both countries declared 200-mile zones off their respective territories. The dispute covers an area of overlap between the zones of 27,500 square miles.

Norway asserts that the division into economic zones should be made along the line of equidistance between Greenland and Jan Mayen, while the Danes argue for a 200-mile Greenland zone.

"Greenland has major fisheries interests at stake," said Mr Uffe Ellermann-Jensen, Danish Foreign Minister. "Jan Mayen's small size, distance from Norway, and lack of population and economic activity cannot allow it to receive weight in drawing the division with Greenland."

"The island cannot affect a limit on Greenland's 200-mile zone," according to a press release from the ministry.

Denmark and Norway were involved between the wars in a bitter dispute over a Norwegian territorial claim to East Greenland. The dispute was settled in Denmark's favour by a Hague Court judgment.

Inflation rate leaps by 0.8% in Portugal

By Diana Smith in Lisbon

PORUGAL'S monthly inflation rate rose by 0.8 per cent in July to a year-on-year total of 9 per cent, scarcely below last December's total of 9.4 per cent.

For months, stubbornly-high inflation rates have led trade unions, whose members pay rises this year were linked to government inflation forecasts of 6.5 per cent, to insist that official targets were too low. The release of July's figures has prompted unions to demand an immediate review of prices and incomes policies.

Mr António Cavaco Silva, the Prime Minister, recently admitted that the 6.5 per cent inflation target might not be achieved before next March. Even that date is viewed sceptically by unions and the banking community.

Air peace offer

A SENIOR tourist official offered yesterday to mediate between the government and Barcelona air traffic controllers to head off strikes planned for later this month that would cause chaos for holidaymakers, Reuter reports from Madrid.

INTERNATIONAL PEACE RESEARCH INSTITUTE ANNUAL REPORT

Little sign of serious cuts in arms spending

By Robert Taylor in Stockholm

THE WORLD is not yet heading in a non-nuclear direction and the present international security outlook remains uncertain, according to the annual year book published yesterday by the Stockholm-based International Peace Research Institute (Spir).

Its director Mr Walther Stützle said the best that could be said about the present position was that there was a holding operation. It was too soon to conclude the result would be a "safe landing" with a new era in arms control marked by agreements that cut into the muscles" of arms expenditure.

He also pointed out that there were an estimated 36 separate conflicts still going on in the world, and none of the positive developments in the Iranian-Iraq conflict, the wars in

Angola and Namibia, or the war in Kampuchea had resulted so far in signed, ratified and enforced peace settlements.

While he recognised that both superpowers had "travelled a long way" towards overcoming their differences, symbolically signified by the signing of the intermediate-range nuclear forces (INF) treaty, there was still considerable uncertainty.

No new negotiating mandate for conventional arms control in Europe had been agreed upon, he said. Nor had the chemical weapons convention been concluded. The strategic arms reduction talks agreement had yet to be signed, and "agreement on the substance of the anti-ballistic missile treaty was still pending."

Mr Stützle also expressed concern that since the signing of the SALT 1 agreement in 1972 there had been no follow-on agreement ratified that would seriously reduce the strategic nuclear inventory of the superpowers.

There were far more nuclear weapons in the world now than 20 years ago when the nuclear weapons proliferation treaty (NPT) was first signed.

Spir estimates that in 1970 the US had 3,734 nuclear strategic warheads in its inventory mounted on 2,175 delivery vehicles. Today it had as many as 13,012 or 20,065 vehicles. Similarly, the Soviet Union had 1,861 warheads in 1,861 vehicles then, and 11,450 warheads on 2,458 vehicles now.

The report questions

whether the world is at a turning point, because it is in discussions about the intentions of Mr Mikhail Gorbachev and how the West will respond to them. It points out that the INF treaty stood as a "significant example of Soviet responsiveness to Western security and arms control concerns," but "without sacrificing anything of crucial importance to Soviet security and defence."

Yet it also argues that while Mr Gorbachev "has not only applied bold language, but has also indicated radical solutions in order to correct the major mistakes of his predecessors, he has been remarkably precise in addressing the future."

Spir believes that it is largely due to "Nato's failure to less Gorbachev's ideas" that "it remains unclear whether the Soviet leader means serious business".

The institute expresses serious criticism of 19 of the 35 countries covered by the 1975 Helsinki accords which refused to provide it with the arms data they are supposed to exchange with all member-governments.

If confidence-building were to become the central prerequisite for arms reductions, the public domain needed to know the facts and figures on which to build confidence and ultimately to accept major reductions, Mr Stützle argued.

Spir hopes to learn a good deal more about Soviet intentions in next month's Gorbachev memorial lecture to be given by the Chief of the Soviet General Staff, Marshal Fedorovich Alkernovayev.

Cost of Iran-Iraq war tops historic earnings from oil

THE eight-year Iran-Iraq war has cost both countries more money than the total historical value of their entire petroleum export earnings, according to estimates published yesterday by Spir, writes Robert Taylor.

It has calculated that the total combined military-related spending (which excludes major arms imports) by Iraq and Iran since the war started in 1980 ranges from \$168.5bn (1980) to \$203.5bn at current prices. Total oil revenues earned by the two countries

throughout their history are estimated at \$400bn.

The institute reckons that Iran's war effort cost between 5 and 6.1 per cent of its gross domestic product, with a total military expenditure of from \$74.4bn to \$91.4bn at current prices. On top of this the country bought \$3.1bn worth of arms from abroad in 1985 constant dollars.

This is a much smaller total for arms purchased than Iraq (\$24.2bn), for Spir points out that Iran relied far more on

military manpower in its war effort. The estimated military expenditure for Iraq over the eight-year period is calculated to range from \$94.6bn to \$112.2bn, between 24.8 and 29.6 per cent of the country's gross domestic product.

Spir is well aware of the tentative nature of its estimates, partly due to the fact that its calculations for military expenditure are based on current dollar figures, while the statistics for arms imports to Iran and Iraq are

based on 1985 constant dollars.

It believes that \$27.6bn-worth of major weapons were delivered to Iraq and Iran during the war: three-quarters of Iraq's coming from the Soviet Union and France, and half Iran's from China.

The Institute also points out that other countries in the Gulf, particularly Saudi Arabia and Kuwait, have built up their armaments during the war, and important new supply relationships have been established with China and the Soviet Union as a result.

Soviet Union looks for a better class of detective as tide of crime increases

By John Lloyd in Moscow

SEVENTEEN people, including children, were killed and 167 injured when a Moscow-bound express train was derailed and engulfed by fire on Tuesday evening, the Soviet media said yesterday, Reuter reports from Moscow.

In an interview with the Tass news agency yesterday, Mr Boris Zabotin, the deputy Interior Minister, described the former nature of Soviet investigations as one in which crime figures were falsified, innocent people were framed, and officers acted arbitrarily and without much grasp of the investigatory process.

Indirect confirmation of Mr Zabotin's comments comes

from the fact of the trial early next month of one of his predecessors: Mr Yuri Churbanov, deputy Interior Minister under Mr Leonid Brezhnev, who was his father-in-law, stands accused of corruption.

Mr Zabotin said the investigations department of the militia had now been brought under the direct, daily control of the Interior Ministry. This reform appears to have been prompted by the public and growing complaints of inefficiency, corruption and idleness in the militia - as well as rather more democratic one.

In particular, the calendar

proclaims a meeting of the central committee of the Communist Party in November, which, it says, will prepare drafts for a meeting of the praesidium of the Supreme Soviet later that month aimed at agreeing new laws on the judiciary and changes to the constitution to accommodate a political system which will see the election next spring of a new Soviet of people's deputies.

It is this body which Mr Mikhail Gorbachev has proposed should be presided over by himself - in addition to retaining his role as general secretary of the Communist party.

In the shorter term, throughout the coming autumn, local and work-level party branches will hold elections, while a wide-ranging debate on the legal changes is expected in the press.

Early next year, a plenum of the central committee is to be held on the subject of the USSR's international relations - at present the arena of a high-level rhetorical battle between those who wish to see a shift from support for the "class struggle" worldwide, and those who wish to see the Soviet Union retain that.

The 10-year deal was negotiated by Philips' Countertrade Bureau and will involve NV Philips Gloeilampenfabrieken buying Albanian cement and tobacco in exchange for electronic components and measuring equipment.

Albania intends to buy colour television assembly kits and television lighting and studio gear at a later stage, Philips said in a statement.

Both sides agreed on special account arrangements and reduced guarantees in order to reduce risks on the contract, the first Philips' negotiations with the Tirana government.

The Countertrade Bureau was set up four years ago to help all division of the Philips group negotiate barter and countertrade deals.

Philips, which aims to build up its divisions into worldwide forces with a global marketing and sales strategy, last month blamed Asian competition and fluctuating exchange rates for a drop in net profits of 19.5 per cent in the first half of 1988.

Philips and Albania in barter deal

THE DUTCH electronics giant Philips has concluded a complex barter agreement with Albania for two-way trade worth about \$1 bn (\$230,000) a year, the company said yesterday, Reuter reports from Amsterdam.

The strike, which was organised by Solidarity activists, began at Morsink when the morning shift refused to go down the pit, Mr Andrzejczak said. Four hundred of the total workforce of 2,300 were involved, mostly young men.

Officials also opened talks with miners at the Manifest Lipoway pit early on Wednesday with an official of the Industry Ministry present, miners said.

The striking port workers in Szczecin were reported to have occupied the docks and set up a strike committee. A local prosecutor immediately declared the strike illegal, Solidarity leaders said.

Yugoslavs hope to get inflation down to 95%

YUGOSLAV President Raif Dzardarevic has complained that the country's runaway inflation remains unchanged while economic output continues to stagnate, the official Tanjug news agency said yesterday. AP reports from Belgrade.

Mr Dzardarevic said inflation during the first seven months of this year had been rising at a rate of about 190 per cent, Tanjug reported.

He said the government had planned, however, to keep inflation at about 95 per cent.

The International Monetary Fund has agreed to a rescheduling programme for the \$21bn debt on condition that inflation does not exceed 95 per cent.

Romania turns down UN plea

ROMANIA has refused to let a United Nations panel send two envoys to contact a Romanian professor who failed to turn up in Geneva to deliver a human rights report, a senior UN official said yesterday, Reuter reports from Bucharest.

Mr Jan Martenson, UN Under-Secretary-General for Human Rights, said Romania had rejected the proposed visit to Professor Dumitru Mazilu as an interference in its internal affairs.

The request was an attempt by UN Secretary-General Javier Perez de Cuellar to resolve a row over why Mr Mazilu did not arrive in Geneva to deliver a report on human rights and youth to a UN sub-commission.

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Fears grow in eastern Europe over scale of alcohol abuse

Leslie Coffey in Berlin

THE HEALTH authorities in eastern Europe are seeking to combat an alarming rise in alcohol consumption and in several countries growing drug abuse.

More than 50 per cent of 15-year-old East Germans consume alcoholic beverages several times a week, according to medical reports presented at a recent conference in Dresden on alcohol and prescription drug addiction.

He added that "in one and a half years time the system will be in full force. The experience we will achieve through this can possibly be used in the internal banking system of the USSR." Your ball, Intourist.

He added that "in a half year's time the system will be in full force. The experience we will achieve through this can possibly be used in the internal banking system of the USSR." Your ball, Intourist.

He revealed that drug abuse in East Germany is largely confined to prescription drugs but with this, doctors said, was on a massive scale.

Unlike Poland, where alcoholism has long been a serious problem, it has only become one in Hungary in the past 10 years, during which alcohol consumption rose at the fastest rate in the world. Hungarian public health officials attribute this largely to the social upheaval involved in many rural Hungarians moving to urban areas.

Heavy drinking, as in Poland, has raised the mortality rate for men between 45 and 50 years old to one of the world's highest. Repeated price increases for alcohol in both countries have failed to deter drinking but have greatly increased the distilling of moonshine.

But the success rate for the two-year rehabilitation programme is reported by both Polish and Hungarian health officials to be nearly 40 per cent compared with 8 per cent to 15 per cent for similar drug programmes in the West.

THE Hungarian parliament yesterday began debating whether to launch a new financial instrument to draw more investment into the country's capital markets, the official MTI news agency said. Reuter reports from Budapest.

Hungary has by far the most advanced capital market in communist Eastern Europe involving bond and share trad-

ing and is now considering introducing certificates of Deposits (CDs).

Experts stress that the financial instruments available at present are not attractive enough and do not promote the saving rate in the required degree," MTI said.

A certificate of deposit is a large interest-bearing deposit which is not withdrawable on

demand. The bank issues a certificate as proof of ownership and this becomes a negotiable instrument tradeable on a secondary market.

"Once the CD is introduced, the Hungarian money market will obtain a financial instrument that is highly flexible both in terms of maturity, interest rate and nominal value," MTI said.

Hungarians debate capital instrument

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Hungary has by far the most

advanced capital market in

communist Eastern Europe

AMERICAN NEWS

Quayle fails to add stature to Bush ticket

By Stewart Fleming and Lionel Barber in New Orleans

"HE IS a little like Robert Redford," said Senator Rudy Boschwitz of Minnesota about the Vice-President's surprise selection yesterday of little-known 41-year-old Senator Dan Quayle of Indiana as his running mate.

Senator Boschwitz said Senator Quayle was "very acceptable" to the conservative wing of the Republican party which has always been ambivalent about Mr Bush, the East Coast establishment Yankee.

The rationale behind the Bush campaign's choice is that Senator Quayle is a member of the younger generation of conservative Republicans who first joined the party in response to Ronald Reagan's free-market, individualistic appeal. "He is a man of the future," said Mr Bush.

Senator Quayle is articulate, particularly good on television and, according to the Vice-President's own pollster, a politician who has consistently done well among groups such as minorities, union households and women who have yet to become captive spirits of the

superpower treaty banning intermediate nuclear missiles. However, he retained a flexible position throughout and to the irritation of some right wing, who focused more on improving the treaty with amendments than torpedoing it.

The Vice-President is suffering from the "gender gap": in comparison with his Democratic rival Governor Michael Dukakis of Massachusetts, Mr Bush is running up to 20 points behind among women.

Part of this weakness is due to Mr Bush's woolly image, but it also reflects scepticism among women who believe the Reagan Administration has tended to spend more money on weapons than on the needs of the modern working woman.

Yet Senator Quayle may be a mixed blessing in this respect. He is a hardline conservative who is against abortion and has been trying to make a name for himself on defence issues. He, along with Senator Jesse Helms of North Carolina, led the conservative fight against ratification of the

superpower treaty banning intermediate nuclear missiles. However, he retained a flexible position throughout and to the irritation of some right wing, who focused more on improving the treaty with amendments than torpedoing it.

The comment about Robert Redford may be double-edged. Some Republicans in New Orleans recall that one of Mr Redford's most memorable roles was in *The Candidate*, a film about a handsome, media-packed politician whose first words after winning the election were: "OK, what do we do

now?"

There is, too, one small shadow hanging over Senator Quayle. He is reported to have made a golf trip in 1980 with two other members of Congress, Jack Kemp of New York, both of whom challenged him in the primaries.

In choosing Mr Quayle, Mr Bush has put personal compatibility and loyalty before experience and a proven record. He has shunned Senator Robert Dole of Kansas and Congressman Jack Kemp of New York, both of whom challenged him in the primaries.

He may be the best alternative in the Mid-West to Mr Dole, said a Republican operative. He may also be a more attractive version of Jack Kemp, a wooden speaker at the best of times. But he may suffer from the very weakness that has plagued Mr Bush so far in the presidential campaign: a lack of stature.

His wife, Marilyn, graduated

with him from Indiana University Law School and the two briefly formed a law firm, Quayle and Quayle, before he moved to Congress in 1976. Four years later he became a senator.

Marilyn Quayle is apparently a close political adviser and a friend of Sue Baker, the wife of Mr Bush's newly designated campaign chairman, Mr James Baker, the outgoing US Treasury Secretary.

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Running mate: George Bush welcomes Dan Quayle

US stages nuclear test with Soviet Union

The US set off a large underground nuclear explosion in the Nevada desert yesterday in the first joint test with the Soviet Union, Reuters reports.

The unprecedented nuclear explosion in a 2,200-foot deep shaft was the first of two superpowers have agreed to conduct jointly this year.

The aim of the tests is to find mutually agreeable technology that will accurately monitor compliance with two 1970s test limitation treaties. The second of the joint experiments is set for September 14 at the Soviet Semipalatinsk test range.

US and Soviet scientists, some of whom had been working side by side since April preparing for the test, crowded into a small control room 30 miles from the blast site in the Nevada desert.

"Times are changing and we are in a situation where we are dealing with things at each other's test sites," Igor Paleykh, head of the Soviet delegation to the Nuclear Testing Talks in Geneva, said shortly before the explosion.

The two countries are exchanging data collected from the two underground explosions and will use the information in negotiations on future tests. Both also see the experiments as an important step towards ratification of the 1974 Threshold Test Ban Treaty and the 1976 Peaceful Nuclear Explosions Treaty.

Although both signed the treaties, which limit the yield of underground tests to 150 kilotons, they have not been ratified.

Joseph Salgado, acting deputy secretary of the US Energy Department, said the on-site monitoring by both superpowers this summer represented important progress towards verifying compliance with the two treaties.

Jamaica agrees \$114m credit deal with IMF

By Canute James in Kingston

JAMAICA has reached an agreement with the International Monetary Fund allowing it access to a \$114m stand-by credit package over the next 14 months.

An earlier agreement between the government and the fund expired in May when Jamaica concluded drawdowns from a \$150m package. The new pact will provide balance of payments support.

Mr Edward Seaga, the prime minister and finance minister, said the conditions agreed with the IMF included a reduction of the deficit in the current account of the balance of payments to 3.1 per cent of GDP by the end of the fiscal year, against 4.5 per cent in the past year. According to the Bank of Jamaica the current account deficit last year was \$123m, following \$33.5m in 1982.

Mr Seaga said the measures were aimed at ensuring continued economic growth.

Split emerges among Republicans

Peter Riddell on the tension between moderates and fundamentalists

Deep tensions have emerged this year within the Republican Party despite this week's triumphant nomination of Vice-President George Bush.

Nowhere was this better illustrated on Tuesday evening than in the successive speeches to the convention of Governor Tom Kean of New Jersey and the Rev Pat Robertson, the television evangelist.

Gov Kean is the advocate of "the politics of inclusion", the attempt to win the support of ethnic minorities and blue collar voters by a concentration on job creation. By contrast the Rev Robertson is a champion of the born-again fundamental Christians with their social agenda of a constitutional ban on abortion, prayer in schools and tuition tax credits for private education.

The two approaches have clashed throughout this year's nominating process. The Rev Robertson may have flopped in the spring primaries, winning less than a half the vote of Christian fundamentalists. But his supporters have gained control of the Republican local parties in five states, with a major say in six others. The conflicts in Michigan and Georgia have been bitter with law suits and charges of fanaticism.

Mainstream Republicans have been embarrassed by the zeal and moral certainty of the

Robertson camp, fearing it will put off Catholics, Jews and ethnic minorities which the party needs for success. It is in part a social and class struggle between traditional business and community leader Republicans and the blue collar, less socially established newcomers.

In his speech on Tuesday Mr Robertson proclaimed the "G-word" as the message "in God we trust" was flashed on the big screen on the convention hall. He talked of building "the greatness of America through moral strength", and did not go beyond the social agenda of his primary campaign.

Mr Robertson also showed why he has alarmed many mainstream Republicans with an attack on the Democrats over AIDS, describing them as "the protectors of the disease carriers". Talking dismissively of the Democrat family, he also referred to Senator Barbara Mikulski of Maryland as its mother, even though she is a declared gay.

Gov Kean, the keynote speaker to the "convention", avoided the social issues. Indeed, in his new book, *The Politics of Inclusion*, he says much of the party's political energy has been devoted to "narrow issues that divide the electorate: abortion, school prayer, the equal rights amendment".

The tension between these two differing strands will continue to affect the structure and appeal of the Republicans whatever happens on November 8.

Pat Robertson: moral zeal embarrasses moderates

Caribbean regional appeal court urged

By Canute James in Kingston

THE English-speaking Caribbean countries plan to take the law into their own hands. The 13 countries which

make up the Caribbean Economic Community are studying setting up a Caribbean Court of Appeal to replace the British Privy Council as the region's highest court.

The more has less to do with nationalistic desires for a totally indigenous final appellate court, than it has with the cost of travel to Britain for appeals before the Privy Council.

In proposals advocating the creation of the regional court of appeal, the community's attorneys general said "the high cost of appeals to the Privy Council was a factor inhibiting access to that body".

They noted a progressive decline in the use of the Privy Council and that it would soon be limited to Gambia, Gibraltar, Hong Kong and Mauritius.

The attorneys general said also that there were "signals from

the United Kingdom that the

Privy Council would eventually not be accessible to the

remaining Commonwealth countries that made use of it".

A decision on the Caribbean court will be taken next July at the community's annual sum-

mit, to be held in Grenada.

AN OPPORTUNITY TO ACQUIRE THE FINEST VIEWS OF YORK.



Wimpey Homes offer you this unique opportunity to tender for two 1 bedroom and two 2 bedroom luxury penthouses in York.

Situated in a prime location on the banks of the River Ouse, overlooking the grand old City of York, the panoramic views from these penthouse apartments at Bishop's Wharf are priceless. In addition they will be exquisitely decorated and furnished to the highest standards by a leading interior designer.

When you need a peaceful haven, they provide the ultimate, tranquil retreat. Both 1 and 2 bedroom penthouses are secure with a special security lift complete with video entry monitor. Yet after just a short walk, you are in

the hustle and bustle of the city. York racecourse is only 5 minutes away, and with an airport and major rail link close by (only 2 hours from London and 3 hours from Edinburgh by InterCity) Bishop's Wharf is perfectly placed.

Tenders in excess of £175,000 are requested for the 1 bedroom penthouses and £350,000 for the 2 bedroom penthouses. The closing date for receipt of tender application forms is Friday 30th September at 12 noon.

For a tender form please contact Keith Greenwood on 0904 611927. He will be pleased to send you our brochure and arrange for a personal visit as viewing is strictly by appointment only.

WIMPEY

WELCOME HOME

OVERSEAS NEWS

Singapore Government calls early election

By Roger Matthews in Singapore

THE SINGAPORE Government announced last night that it was dissolving parliament and would hold a general election on September 3, some 16 months before its mandate expires.

Politics in Singapore has been dominated since full independence in 1965 by the People's Action Party and Mr Lee Kuan Yew, its Secretary-General, who has been the country's only prime minister. At the last election in December 1984, the PAP won 77 of the 79 parliamentary seats.

The PAP is again certain to

form the next government. The main interest will centre on whether it can recover the 12 per cent of the popular vote it lost at the last election. A further erosion of support would come as a damaging blow both to Mr Lee and to the next generation of PAP leaders who have been hand-picked by him.

The Prime Minister is preparing to hand over the premiership to Mr Goh Chok Tong, the first deputy prime minister, and is then expected to become Singapore's first elected, non-executive president.

The unexpectedly strong

showing by the fragmented opposition parties in 1984, which reduced the PAP share of the popular vote from 75.5 per cent to 62.6 per cent, was described at the time as a political watershed for Singapore. It was widely interpreted as reflecting popular discontent with the intrusive style of Mr Lee's Government rather than particular enthusiasm for the alternatives on offer. In the past 12 months its crackdown on alleged political subversives has caused even some of its own supporters to accuse it of creating a mood of intimidation.

Hayden confirmed as Governor-General

By Chris Sherwell in Sydney

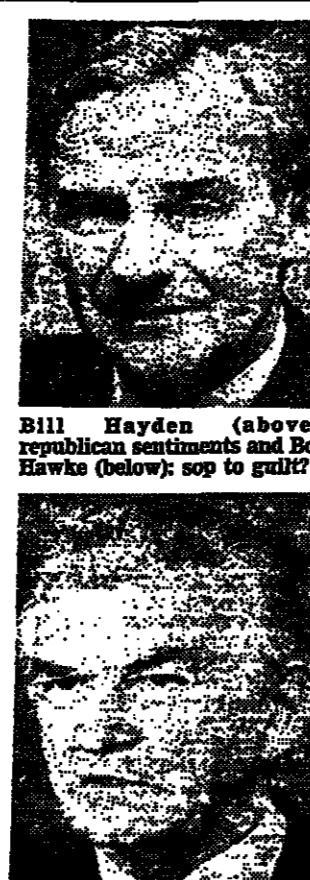
A CABINET reshuffle and by-election are in store for Australia's Labor Party government following yesterday's confirmation that Mr Bill Hayden Foreign Minister, will become the country's next Governor-General.

An announcement from Buckingham Palace said Mr Hayden would take up his appointment on February 16 next year, one day after Sir Ninian Stephen, the present Governor-General, leaves the post.

Mr Hayden returned from an overseas trip on Tuesday and yesterday resigned his ministerial position, his parliamentary seat and his membership of the Labor Party. The move had been expected for some weeks.

Senator Gareth Evans, currently Minister of Transport and Communications, is widely expected to become the new Foreign Minister. He has long been the Government's spokesman on foreign affairs in the upper house.

Mr Ralph Willis, Industrial Relations Minister, is being



Bill Hayden (above): republican sentiments; Bob Hawke (below): sop to guilt?

ANC apologises for casualties

By Victor Mallet in Lusaka

THE AFRICAN National Congress, in a surprise announcement which amounted to an apology, yesterday expressed its regret about South African civilian casualties in a recent wave of guerrilla bombings. While welcoming the general upsurge of guerrilla activity, the ANC's ruling body, the National Executive Committee, also confessed that ANC insurgents had attacked civilians.

Summing up a lengthy meeting held last month, the 35-member NEC expressed concern at the recent spate of attacks on civilians. "Some of these attacks have been carried out by cadres of the people's army, *Umkhonto we Sizwe* (Spear of the Nation)," the statement admitted.

Mandela illness puts Botha in a quandary

By Anthony Robinson in Johannesburg

THE SUDDEN worsening of the health of Mr Nelson Mandela, the jailed African National Congress leader, faces the National Party Government led by President P.W. Botha with a political dilemma on the eve of the party's regional congress which opens in Durban today.

Mr Mandela, who has been in prison since 1962, is reportedly suffering from tuberculosis although this has not been officially confirmed. A doctor who treated him at Tygerberg Hospital said yesterday that reports that Mr Mandela had been coughing up blood were "rubbish".

Mr Mandela was taken from Pollsmoor Prison to the hospital last Friday and a tube

inserted in one of his lungs to drain some three litres of fluid from the inflamed organ. On Monday the hospital issued a statement saying that this pleural drain had been removed. It added that the lung had expanded fully and that Mr Mandela was "up and about".

If it does release Mr Mandela, the Government faces the worst of both worlds. It risks a white backlash for releasing a "terrorist", without gaining much thanks from blacks if his release is not followed by negotiations but by the kind of house arrest imposed on Mr Govan Mbeki, the 77-year-old ANC veteran released last year.

Mr Mandela, who has been

in prison since 1962, is reportedly suffering from tuberculosis although this has not been officially confirmed. A doctor who treated him at Tygerberg Hospital said yesterday that reports that Mr Mandela had been coughing up blood were "rubbish".

Mr Mandela was taken from Pollsmoor Prison to the hospital last Friday and a tube

N Korea offers meeting with Southern MPs

By Jim Muir in Nicosia

NORTH KOREA said yesterday it would meet South Korean lawmakers later this week to plan a possible joint session of the two countries' parliaments to discuss the upcoming Olympics and a non-aggression agreement, AP reports from Tbilisi.

Officials at Rangoon's General Hospital said that thousands more had been injured, greatly raising earlier estimates of the amount of force the Burmese Government has used, the diplomats said.

The estimates do not include

deaths in the 26 other towns and cities where the army also

firebombed into mainly unarmed crowds, including women and

children.

Earlier this week more than

170 lawyers wrote an open letter to the party denouncing the violence used by the army against the protesters.

The letter from the Rangoon Bar Council, a professional

government body, claimed the

army shot and killed nurses on duty, people in their homes or coffee shops, and pedestrians in the streets.

It is an unprecedented show

of formal opposition from a

section of the Burmese estab-

lishment which Gen Ne Win

rigidly controlled like every-

thing else in his socialist state.

Opposition has also emerged

from the daughter of Aung San, a man considered the

father of modern Burma,

whose name Gen Ne Win has

used in the past to invoke sup-

port.

Aung San Suu Kyi has writ-

ten a letter to the influential

Council of State denouncing the

violence and suggesting a

consultative committee of

influential and well-known

people be set up to lead a trans-

itional government.

The letter appeared to call

for the release of political pris-

oners and an end to the cycle

of protest and killings, diplo-

matos said. Both letters refute

the Government's repeated

claims over radio that the

riots last week were caused by

hooligans who were only inter-

ested in looting and had no

political agenda.

Aung San Suu Kyi has writ-

Riots led to 3,000 deaths in Rangoon alone

By Richard Gourlay in Bangkok

AT LEAST 3,000 people were

killed in Rangoon alone last

week in the five days of riots

that led to President Sein

Lwin's resignation, hospital

workers told Rangoon-based

diplomats yesterday.

Officials at Rangoon's General

Hospital said that thousands

more had been injured, greatly

raising earlier estimates of the

amount of force the

Burmese Government has

used, the diplomats said.

Buddhist monks, all of whom

were calling for democracy

and the end to one-party rule.

The widespread outrage

over the killings is likely to

spark new street protests

unless an extraordinary party

meeting on Friday elects a new

leader who is not considered a

puppet of Gen Ne Win, Burma's

ruler for 26 years, diplomats

said.

On July the 20th the autocratic

former general finally stepped

aside for Sein Lwin. But his

appointment, as much as the

desire for democracy, cuts in

rice prices and calls for an end

to one-party government,

which the army has been

opposed to for years.

On July 21st, the army

overthrew the civilian

Government and appointed

General Ne Win as

interim leader.

On July 22nd, the army

overthrew General Ne Win

and appointed General

Sein Lwin as interim leader.

On July 23rd, the army

overthrew General Sein Lwin

and appointed General

Ne Win as interim leader.

On July 24th, the army

overthrew General Ne Win

and appointed General

Sein Lwin as interim leader.

On July 25th, the army

overthrew General Sein Lwin

and appointed General

Ne Win as interim leader.

On July 26th, the army

overthrew General Ne Win

and appointed General

Sein Lwin as interim leader.

On July 27th, the army

overthrew General Sein Lwin

and appointed General

Ne Win as interim leader.

On July 28th, the army

overthrew General Ne Win

and appointed General

Sein Lwin as interim leader.

On July 29th, the army

overthrew General Sein Lwin

and appointed General

Ne Win as interim leader.

On July 30th, the army

overthrew General Ne Win

and appointed General

Sein Lwin as interim leader.

On July 31st, the army

overthrew General Sein Lwin

and appointed General

Ne Win as interim leader.

On August 1st, the army

overthrew General Ne Win

and appointed General

Sein Lwin as interim leader.

On August 2nd, the army

overthrew General Sein Lwin

and appointed General

*Innovation***LORD NELSON AND MILSTAR**

Trafalgar, 1805, the battle that was to lead to the eventual undoing of Napoleon, was won because Admiral Horatio Nelson had a secret weapon: signal flags.

The technique of communicating over long distances by coded flags had only recently been invented by the Royal Navy. It revolutionized naval warfare.

The system enabled the British ships to cover vast expanses of ocean, looking for the enemy, while remaining in close contact with the fleet commander. It also allowed tactical flexibility once battle had been joined. Other navies were bound by rigid battle plans agreed upon in face-to-face councils long before the first broadside. They were confounded by the British and their talking flags.

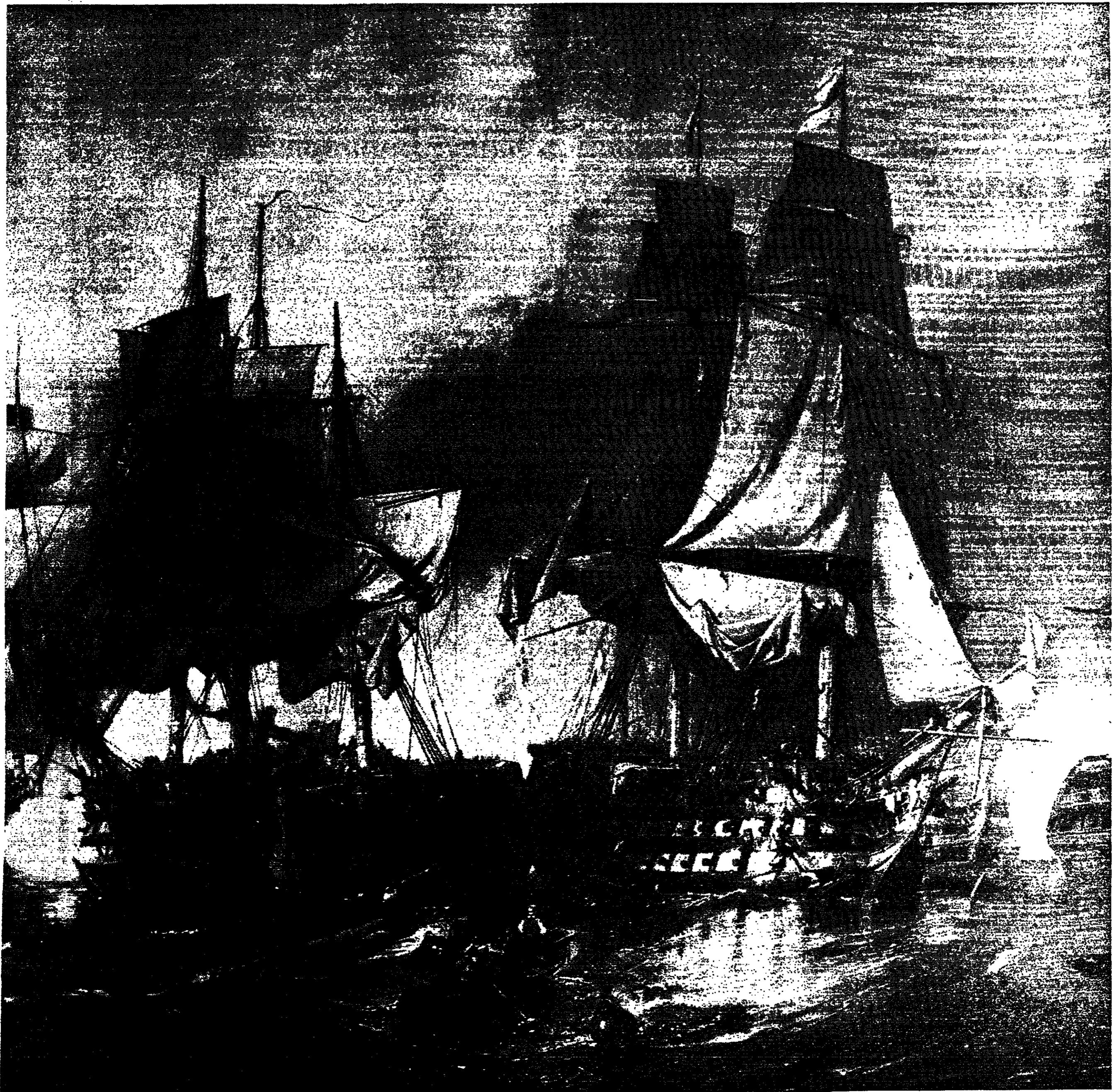
The result of Trafalgar, and in large part this communications system, was that Britain enjoyed undisputed rule of the seas and over a century of relative peace; a *Pax Britannica*.

In modern warfare, command, control, and communication are as decisive factors as they were two centuries ago and even more complex. History is peppered with anecdotes of communication breakdowns leading to fiasco. It has been called the fog of war.

This is why Milstar, the most comprehensive, survivable, and secure communications system ever conceived, is so needed. Once in place, the satellites that make up the Milstar constellation will be able to keep all commands of our forces around the globe in constant touch, from the President down to platoon leaders, regardless of the situation. And it will allow the Commander in Chief to make timely, well-informed decisions.

What Nelson's signal flags did for Britain two centuries ago, helping to insure a century of peace, Milstar can do for the West. And that is, after all, the object of defense.

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UK NEWS

Unions call for talks as Boeing sizes up Shorts

Trade union leaders in Northern Ireland will seek a meeting with Tom King, Northern Ireland secretary, after learning that Boeing, US aerospace company, is investigating the possibility of taking over Short Brothers, the Belfast aircraft and missiles company.

The Government has authorised Shorts to organise its own privatisation and there is speculation that senior management at the Belfast company is interested in a deal with a large international partner.

Boeing has confirmed it is carrying out a feasibility study for senior executives into acquiring Shorts, but a company spokesman in Seattle said a complete takeover was unlikely.

Investing in efficiency
British Steel Corporation said an £8.7m investment programme to improve efficiency of steel-making at its Teesside works in north-east England would begin this month. The corporation said the investment was expected to lead to a savings in operating costs of £2m a year.

NatWest card rates rise
National Westminster, commercial bank, is the latest bank to increase interest rates on its credit cards. NatWest Access card rates will rise from 17.5 per cent to 19 per cent per month from August 26, equivalent to an annual rate of 25.3 per cent.

Chelsea club lease sold
Crest Nicholson, building and property development group, has bought the lease on Stamford Bridge, West London home of Chelsea Football Club. The lease carries planning consent for the development of 220 houses and flats, and an office building on the site, but Crest said yesterday it would produce a revised plan.

Labour attacks award
An extra £150m will be needed, in addition to the allocated £200m, if the Government is to carry out its pledge to fund the nurses' recent pay award in full, Robin Cook, opposition Social Services Secretary, said.

Ziegfeld show to close
Ziegfeld, the most expensive stage musical ever performed in London's West End with a £3.2m budget, will close in October after an ill-fated five-month run.

Bank switches HQ
The Bank of Wales will move from its cramped quarters in the centre of Cardiff to the nearby New Baltic House next year.

Express Foods to expand cheese works in N Ireland

By Our Belfast Correspondent

EXPRESS Foods Group (International), part of Grand Metropolitan, is creating 127 jobs in a £1.8m expansion of its cheese manufacturing operations in Northern Ireland.

The expansion, backed by the Industrial Development Board for Northern Ireland, will take place at Dairy Produce Packers, Coleraine, and at Express Dairies, Magheralin.

A £3.5m investment at Dairy Produce Packers, which makes a range of traditional and processed cheeses, will create 125 jobs.

This will bring total employment to more than 470 over the next four years.

The company is the UK's main supplier of cheese slices to well-known fast food outlets such as McDonald's, Wimpy and Burger King.

Forecasting survey points to slower economic growth

By Ralph Atkins, Economics Staff

BRITISH ECONOMIC growth will slow to an annual rate of about 2 per cent next year, according to the latest Treasury comparison of forecasts in the City of London.

UK gross domestic product is predicted to rise by 3.4 per cent this year and 2.1 per cent in 1989. Inflation is expected to be running at an annual rate of 5.4 per cent in the last three months of this year and at 4.1 per cent by a year later.

The survey covers forecasts by nine City groups dated between May and August. It includes leading securities houses and banks. The results show Britain's

Tikoo may face rival bids for Harland & Wolff

By Steven Butter in London and Our Belfast Correspondent

Harland & Wolff, the state-owned Belfast shipbuilder which is up for sale, is making a further £50 of its 3,800 workers redundant.

The job losses reflect a dwindling order book and were announced yesterday as new potential buyers for the yard emerged.

The news came 48 hours after Harland & Wolff announced that it had concluded a two-year productivity deal that will provide it with some of the most flexible working arrangements in Europe.

The Northern Ireland Department of Economic Development said yesterday that it had received a number of fresh proposals to buy the yard.

It added that it was unlikely to be able to reach a decision by late September as had been expected on an earlier offer by Mr Ravi Tikoo, the Indian-born shipowner.

Mr Tikoo wants to buy the yard for a nominal sum and, with a £70m government subsidy, would use it to build the Ultimate Dream, a luxury cruise ship.

One of the alternate proposals to buy the yard is being drawn up by Seaway's Engineering, a company formed a year ago by two engineers who have come up with a novel design for semi-submersible rigs.

They believe that these rigs could be built profitably at the Belfast yard.

Mr Barry Ryan, Seaway's managing director, said a large market had been identified for the rigs, which could be built for a fraction of the cost of current designs, and that this could provide many years of work for Belfast.

Mr Tikoo's proposal, by contrast, is for a one-off job.

Research for the new design has been backed by Texel Eastern, the US oil company active in the North Sea, and models of the rig are currently being tested at the University of Glasgow.

Savings would be achieved because the rigs would be built by assembling cellular steel cubes designed specifically for construction at the yard.

Mr Ryan said that a rig cap-

able of carrying 10,000 tonnes could be built for less than £2m, or roughly one tenth the current construction cost per tonne of payload for other designs.

Construction time could eventually be brought down to between six and eight months, he said.

Seaway's short track record and a lack of firm financial backing, however, are thought to put it at a disadvantage in the deal, and there is some scepticism among engineers about claims made for the design.

Mr Ryan said that two merchant banks, which he declined to name, were interested in backing the scheme.

Harland & Wolff said yesterday that trade union representatives had been told earlier this year that redundancies would be required.

Workers affected will be given 90 days notice and the lay-offs will take place over the next seven months.

The lay-offs will take place across the entire spectrum of shipbuilding disciplines and will reduce the workforce to 3,250.

A new order is desperately needed as the "Swaps" vessel for British Petroleum is nearing completion.

The yard's only other major order is a Ministry of Defence contract for an auxiliary oiler replenishment ship.

Mr Jack Nicholl, regional officer of the Manufacturing Science and Finance Union, said trade unions at the yard were aware that redundancies were imminent.

Mr Nicholl said: "We will obviously be seeking a meeting with management with a view to keeping hardship to employees affected to a minimum."

"The announcement has got nothing to do with the flexibility deal but obviously the workforce has shrunk so much in recent years, it will be more difficult to implement voluntary redundancies."

Mr Nicholl said much work on the MoD contract was being contracted out of the company and he hoped the new flexible deal would enable more work to be carried out at Harland and Wolff.

Mr Ryan said that a rig cap-

able of carrying 10,000 tonnes could be built for less than £2m, or roughly one tenth the current construction cost per tonne of payload for other designs.

Construction time could eventually be brought down to between six and eight months, he said.

Seaway's short track record and a lack of firm financial backing, however, are thought to put it at a disadvantage in the deal, and there is some scepticism among engineers about claims made for the design.

Mr Ryan said that two merchant banks, which he declined to name, were interested in backing the scheme.

Harland & Wolff said yesterday that trade union representatives had been told earlier this year that redundancies would be required.

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Protagonists in the battle (left to right): John Prescott, Eric Heffer and Roy Hattersley

Hattersley camp scents victory

By Tom Lynch

LEADERS of the campaign to re-elect the current Labour leadership yesterday announced the support of a majority of Labour MPs and predicted a comfortable victory for Mr Roy Hattersley over Mr John Prescott in the deputy leadership election.

The Prescot camp was insisting, however, that Mr Eric Heffer, another contender in the battle for deputy leadership, stood a good chance of getting enough votes to deny Mr Hattersley a first ballot victory in the party's electoral college. The college meets in Blackpool, north-west England, on October 2, the eve of the Labour conference.

Mr Heffer's campaign manager for Mr Neil Kinnock, Labour Party leader, said 113 of the party's 223 MPs now

backed Mr Hattersley. He predicted Mr Hattersley would win 19 of the 30 per cent of electoral college votes allotted to MPs.

The destination of the unions' 40 per cent of the college vote remains unclear as the TGWU transport union is unlikely to declare its support before its delegation reaches Blackpool. Npue, the public services union, is balloting with a recommendation for Mr

Prescott.

Mr Cook said almost half the votes were wielded by unions which had already declared for Mr Hattersley or were conducting ballots with a pro-Hattersley recommendation.

He said the constituencies which were balloting their

members were likely to vote for the "dream ticket" of Mr Hattersley and Mr Kinnock, but this was disputed by Prescott aides who pointed to ballot victories in local parties.

They predicted their candidate would get 13 to 14 of the constituencies' 30 per cent of the college, with Mr Hattersley trailing behind Mr Heffer.

The Prescott camp said it expected to arrive in Blackpool with second place, but also in a position to win enough of Mr Heffer's second preference votes to overtake Mr Hattersley.

Mr Cook yesterday presented copies of a leaflet to be sent to unions and constituencies, a move seen by Prescott followers as a sign the Kinnock-Hattersley camp was less confident than it appeared.

TV watchdog warns breakfast station to improve standards

By John Gapper, Labour Staff

THE Independent Broadcasting Authority yesterday warned TV-am, the independent breakfast-time station, to improve technical standards and some of its output following the dismissal of 234 station technicians earlier this year.

The IBA asked TV-am to produce detailed plans for improvements in three areas: its weekend news bulletin, its children's programmes and aspects of its programming and technical presentation.

The IBA's ultimate sanction against TV-am would be to remove its franchise to broadcast, and the ACTT film and television technicians' union is seeking a judicial review of the IBA's decision not to do so.

Assurances were given yesterday to the IBA by Mr Bruce Gynge, TV-am managing director, that the company was

taking steps to return to a normal service. It is to report back to the IBA again, probably within a month.

The IBA's delegation at the meeting in London was led by Lord Thomson, its chairman. During discussions, Mr Gynge, and his deputy, Mr Adrian Moore, were questioned over the technical standards of some of TV-am's output.

The company has recruited a core replacement workforce of about 55 non-union technicians since it dismissed its ACTT employees for refusing to agree changes in working practices. It is also using freelance film crews.

However, it acknowledges that technical standards remain lower than before the dispute, and is putting some effort into training its new

technicians. TV-am does not believe it needs to recruit many more staff.

TV-am said after the meeting that there had been a "constructive" discussion, and it was glad it had been given the chance to prepare a statement on plans for improving output.

The IBA has been consistently critical of the standard of TV-am's output, and in its annual report this year said the company was not meeting the requirements of its franchise. The ACTT argues the franchise should have been removed.

The union is also pursuing a claim of unfair dismissal for more than 200 of the sacked technicians. It is awaiting the judgment of a London industrial tribunal on whether a full hearing should be held.

New newspaper gambles in the marketplace

WHEN THE North West Times is launched on September 20, it will be the first new paid-for regional morning newspaper in Britain since 1987.

It will go on sale in the north of England in Manchester, Merseyside, Cumbria, Lancashire, Cheshire, Derbyshire, Staffordshire and along the borders of North Wales with a mere £2.1m of venture capital funding - £1.2m of it committed so far, the rest underwritten.

As with all venture capital projects, it will be a gamble. The new paper will be seeking a market niche which its management believes is there. History, evolution and revolution give some pointers on whether they are right or wrong.

"Of course there is a market," says Mr Robert Waterhouse, the editor. With his fellow shareholder directors - Mr Roger Bowes, former head of Express Newspapers, and Mr Peter Coulton, who formerly ran the Daily Telegraph's advertisement sales in Manchester - Mr Waterhouse believes that the market place has come full circle after more than a century of change.

The other regional mornings - such as the Yorkshire Post, Northern Echo, Newcastle Journal, Birmingham Post, Eastern Daily Press and the Liverpool Daily Post - were founded after the repeal of the Stamp Act in 1855. The market expanded with the wider spread of literacy after 1870, resulting in cheaper regional evening newspapers. Popular national newspapers came later with the improving railways, which guaranteed fast delivery.

Manchester's regional morning was The Guardian, but it converted to a national in 1958. Mr Waterhouse says this was the beginning of the gap in the market into which the North West Times will launch itself.

It could not be exploited before because Manchester has until recently acted as a secondary market for the North West Times' target areas - are growing.

cial staff and the computerised systems they will use.

The newspaper will be printed by Central Lancashire Printers, the United Newspapers subsidiary at Wigan. Journalists will input directly into a computer in the office in Trafford - a couple of miles from Manchester city centre - and pages will be made up on screen by sub-editors.

These will go to the printer in electronic form via a parabolic dish aerial and transmission system supplied by Mercury. Costs, therefore, will be largely confined to "direct" workers, many of whom are senior journalists redundant from the rundown Manchester offices of the nationals.

Because of the low cost base, Mr Bowes says that the newspaper can survive with a circulation in the low 40,000s. Its cover price will be 25p for a broadsheet of not less than 16 pages, a maximum of 25 per cent of which will be advertising. Costs will also be pared by having only one edition.

With nearly 7m people in its marketplace, the newspaper expects to do better than merely survive.

The Liverpool Daily Post, founded in 1855, sells between 70,000 and 75,000 copies a day, two-thirds of them in North Wales, where geography and demographics make it the clear market leader. It costs only 22p.

It lost money for much of the past two decades, when it was subsidised by its evening stablemate, the Liverpool Echo, but new technology has transformed its cost base. Mr David Snedden, chief executive of Trinity International Holdings, its owner, recently revealed that the Daily Post was in profit.

The extra resources are going into highly targeted editorialising. Mr Snedden says that sales in the affluent suburbs and leafy lanes of Wirral and Cheshire - both North West Times target areas - are growing.

Jobs programme for inner-city school leavers accelerated

By David Thomas, Education Correspondent

THE GOVERNMENT has doubled the size of a programme which guarantees jobs to inner city school-leavers in return for improved performance at school because of overwhelming interest in the scheme throughout the country.

The Government is not expanding its original compact budget of £12m over four years despite the larger programme. It is saving on marketing costs and not every compact will receive the maximum grant available.

The areas receiving development funding are widely spread and include London, Birmingham, Glasgow, Manchester, Liverpool, Sheffield and Bristol. Compacts are supported by both Labour and Conservative-controlled local authorities, unlike some other Government inner city schools initiatives which have proved fiercely controversial.

Compacts were pioneered in the US. They were introduced in Britain last year in the East End of London and firm plans for two more have already been announced for London, including one yesterday in the south east of the capital.

TECHNOLOGY

The portable phone puts in a call to a wider market

Della Bradshaw reports on a UK decision to bring in a common standard for the next generation of mobile telephone services

Five UK telecommunications companies have agreed this week to bury the hatchet and adopt a common standard for the next generation of mobile telephone services - called telepoint.

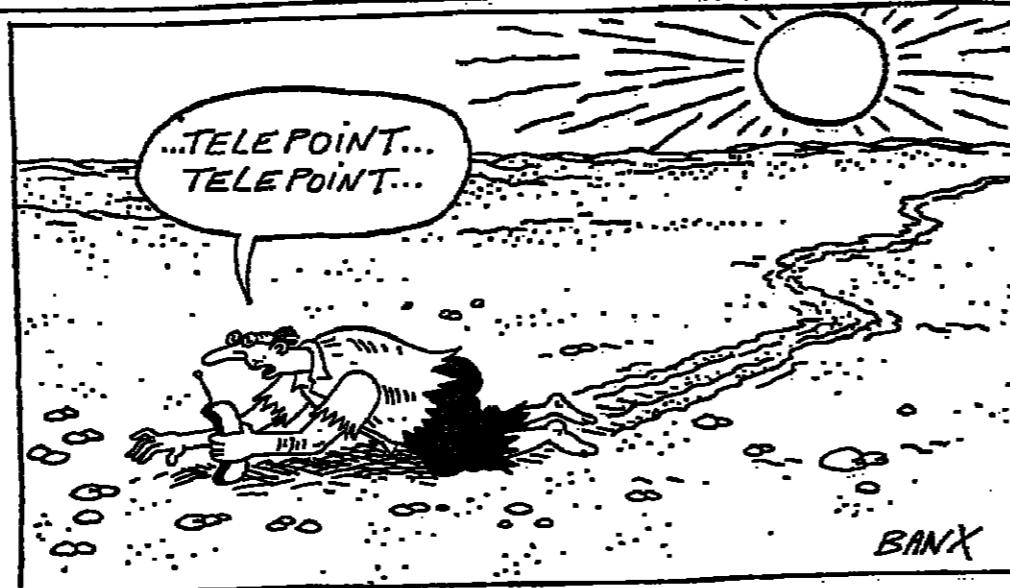
The decision means business telephone users can look forward to carrying a telephone around in their pockets.

Although the manufacturers have known for some time that a common standard would be best for themselves as well as the consumer, there have been months of wrangling and delicate negotiation over the details. Hanging over the manufacturers' heads has been an ultimatum from the Department of Trade and Industry (DTI) that if they could not agree a standard then one would be imposed.

Each company was hoping to steal a march on its competitors by being the first to produce a portable telepoint system. They have been developing their individual systems for the past three years and between them have invested about £10m.

Telepoint is a cross between a public paybox and a cordless domestic telephone where the handset is linked to the base by radio. Customers will buy the handset to use with both the standard base unit in their offices and with similar base stations in public places, such as railway stations and motorway services; so telepoint extends the uses of a cordless phone. The bill for the call is sent to the customer's business or home address.

Because of developments in the technology, telepoint can be used in office blocks and will be aimed particularly at business customers. The phone will cost about £250 to buy and



be considerably cheaper to use than today's cellular radio services. However, cellular radio hand-held and car phones will still have an advantage in their scope for receiving calls. Although the telepoint handset can receive incoming calls through the office base unit, it cannot do so through public base stations.

The standards debate culminated in a straight fight between proposals from two of the five manufacturers, STC, with British Telecom's International Products Division and GPT, the GEC and Plessey joint venture. Plessey is also a shareholder in another of the manufacturers, Orbitel, along with Racal Shave Communications, an offshoot of Sinclair Research, and Ferranti Credit.

A standard based on the BT/STC design has prevailed.

Differing interpretations of the standard arose because of the way it was drafted. When the specification was first under discussion in 1984 it was for a domestic or business cordless phone, not for telepoint. The idea of the new cordless phone, CT2, was that it would be an updated version of the existing variety (CT1), incorporating digital technology.

Because of this, the Department of Trade and Industry (DTI) left vague the definition of the air interface specification (the radio signalling used between the handset and the base), so that manufacturers could interpret it in different ways - one producing a cheap simple phone, another a "Rolls-Royce" version with a plethora of features. The DTI believed the development of the CT2 phones would happen first and telepoint would follow.

The main advantage to manufacturers of a common standard is that it will be easier to promote the service internationally. That will give UK manufacturers several years' lead in the export market.

In making market forecasts for telepoint, both manufacturers and analysts are pointing to the UK cellular radio experience, which has shown enormous growth. Both Ferranti and Morgan Grenfell Securities, which published a recent circular on telepoint, say 3m telepoint subscribers by the early 1990s in the UK alone is a reasonable estimate.

Several European telecommunications authorities are now looking at the British experience before deciding their strategy. Ferranti, for example, has already signed licence agreements with two French manufacturers, Thomson Radio and Sercs (part of Jeumont Schneider), for its telepoint equipment to be made in France. Companies in Spain and Italy have also taken out options to manufacture under licence, and Ferranti has received orders for trial equipment from Finland and Switzerland. Further afield, it would be operators in Hong Kong, Australia, New Zealand and South Africa, as well as some of the American Bell Operating Companies, have shown an interest.

If that had happened, each base station would have had to incorporate a different codec for every brand of CT2 on the market, so pushing up the price of manufacture. Operators could also decide to exclude certain manufacturers' equipment by not incorporating the codec in their base stations. The decision now means that all the CT2 phones will work with all the public base stations.

Although a UK standard has been agreed it could take up to two years before a service engineer to that specification is in operation. To get a telepoint service working as soon as possible, the DTI is likely to allow companies to launch services to proprietary interim standards, with a clause in the licence stipulating a deadline for incorporating the newly agreed one. Those services could begin early next year.

So far three companies have said they will apply for licences to operate telepoint systems. They are BT's Mobile Communications division (BTMC), Mercury Communications

and Ferranti Credit.

BTMC will call its service Phonepoint and Ferranti has dubbed its proposed service Phone Zone.

The Racal Telecommunications Group has also admitted it is considering whether to apply for a licence. Lord Young announced in July that he would licence between two and four telepoint operators.

Barry Moxley, who is leading BTMC's drive for a telepoint operator's licence, says BTMC is most likely to begin operations incorporating Shave equipment into the BTMC base stations. "We're further down the road in talks with Shave." Mercury is still in discussion with several manufacturers about what equipment to use if it is given a licence and Ferranti will use its own.

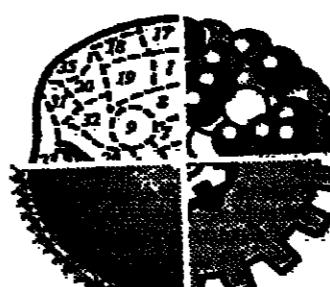
Although the telepoint concept has generated the most interest, the CT2 office phone has certain advantages for use in the workplace:

- There is a lack of interference from other cordless telephones because of the number of radio channels and the way they are allocated. The present CT1 telephones are programmed to operate on one of only eight channels. So, if two phones are allocated to the same channel are used in close proximity, "crossed lines" occur. With the CT2 telephones, 40 channels are available and they are dynamically allocated. That means every time a call is made, the phone searches through the 40 channels until it finds a free one. For that reason CT2 telephones could easily be used in office blocks.

- Telephone calls on CT2 phones are translated into digital signals for transmission, which makes the message less vulnerable to noise on the line.

De La Rue Printers, of Basingstoke, has already installed its Orion fingerprint identification system at 65 sites throughout the world, involving the storage of 800k prints. In Europe, there are users in Denmark, Norway and Switzerland, while in Canada, the Royal Canadian Mounted Police has achieved a 200-fold increase in identifications by using the system.

The UK pilot scheme, based on Unix multi-user software, is expected to come into action in 1989. Crossfield Electronics, a De La Rue company, will provide graphics monitors and the local area networking. Niche Technology will look after the high speed parallel processing while Digitus will write much of the complex software.



WORTH WATCHING

Edited by Geoffrey Charlish

Phone speech for computers

IN THE UK, De La Rue has

launched a pilot automated

fingerprint recognition

system.

The project is called

Sundial (speech

understanding and dialogue)

and was approved at the end

of July by the European

Commission for the second

phase of the Esprit

programme, a European high

technology co-operative

scheme focusing on

information technology.

Logica will co-ordinate the

work of 12 partners from the

UK, France, West Germany

CONTACTS: IBM: UK office, 0705 652641; De La Rue Printers: UK, 0266 26122; Logica: London, 037 9111; AutoCIM: UK, 0235 882465; Toshiba: Tokyo, 037 2104.

In 1977, Commodore proudly presented the world with PET, the first desktop computer. This precocious bestseller has been so popular that even now, companies are happily doing business with their PETs.

Today, a whole range of Commodore computers are dear to the heart of a wide variety of business professionals. From the freelance journalist working at home to the multinational corporation.

In Germany, for example, that most particular of business markets, Commodore PCs regularly challenge the big boys and in the eyes of people like BMW and the German National Railways, we come out on top. In the UK, we're working with new business start-ups to those who've been around for years and really know the score on accounting, database, spreadsheets and wordprocessing.

Thousands of businesses firmly believe that the Commodore family of XTs, ATs and 386s, outstrip all the competition in the mid-price range in terms of quality, performance and specification. And they're convinced that Commodore PCs are built and backed up to survive the toughest taskmasters. After all, we conceived the business micro in the first place.

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X-rays set a pattern for chips

THE IBM Yorktown Heights laboratory in New York reports it has developed a method of generating and directing X-rays to produce the extreme microscopic patterns on silicon needed for the chips of the future.

If chips storing more than 10 to 20 megabits of data are to be manufactured, the most likely method will be by shining X-rays through patterning masks onto the chip, rather than by using light as at present. The reason is that, if the patterning holes in the mask are very small, light tends to diffuse and produce indistinct patterns on the silicon. The effect, called diffraction, is minimised if the wavelength of the radiation is smaller, as with X-rays.

IBM is achieving half-micron spacings of elements on the chip. A micron is a millionth of a metre, about one hundredth of the width of a human hair. The company says this opens the way to memory chips holding more than 64 megabits of information.

IBM is using a synchrotron to make the necessary X-rays. The synchrotron is a nuclear science tool used to accelerate electrons to high velocities. When the electrons strike a target, X-rays are emitted from its surface. IBM is utilising these in a specially designed unit clamped to the Brookhaven National Laboratory in New York.

Future work is expected to use a more compact but powerful synchrotron under development at Oxford Instruments in the UK.

IBM believes it is the first to devise experimental production plant that will deal with the multiple exposures of X-rays needed to build up the layers on a chip's surface.

Automatic clue to fingerprints

IN THE UK, De La Rue has

launched a pilot automated

fingerprint recognition

system.

The system, for installation

at New Scotland Yard and

for Hertfordshire Police, will

be able to scan a new

fingerprint and then rapidly

seek any identical prints on

file, gathered from scenes

vulnerable to noise on the line.

and Italy. The five-year project, involving 170 man-years of work, will be Europe's largest collaborative venture in speech technology.

The systems developed are planned to have a vocabulary of 2,000 words, which is greater than existing systems. Logica has achieved a leading position in this area and in 1981 made one of the earliest announcements of a speech recognition system (called Logos), based on work carried out at the UK Government's Joint Speech Research Unit.

Faster system for plant design

THE DESIGN of electrical plant, from equipment cabinets to complex circuits, can benefit from a computer-aided design (CAD) system called Powerhouse, from Autocad of Leamington Spa in the UK.

Powerhouse is based on Autocad software, which has the major market share for personal computer CAD packages. It is claimed that the system enables designers to produce project drawings four to six times faster by hand.

Autocad is offering a workstation with processor, 15-inch colour screen and training for £7,500.

Travel agent comes to you

IN JAPAN, lap-top computers feature in a plan to bring the booking of airline seats, cars and hotels into the traveller's home or hotel room.

At the moment, travel agents have desk-top machines at the agency premises, to which the customer must go. Under the new system, the lap-top will be carried like a brief case, will be taken to the customer's office or home, plug the computer into a telephone socket and operate it as if he were in his office.

The idea is the brain-child of US-based United Airlines, which will use Toshiba lap-top personal computers as an element of its computerised reservation system in Japan.

The system is part of the world-wide Apollo network, developed by United and now working at 9,300 travel agencies in 42 countries.

For those of you who've only met our first born, here's the latest family photo



INTERNATIONAL APPOINTMENTS

Time announces some top management changes

TIME INC., the large US magazine and book publishing and cable television group which has been through a successful restructuring and cost-cutting exercise since 1986, announced some senior appointments.

With revenues suffering from an advertising slump in 1985, the company, under the direction of Mr J. Richard Munro, 57, chief executive since 1980 and also chairman for the past two years, began staff trimming and the restructuring. This has refocused the group on its core businesses and given a strong shot in the arm for profits.

Now elected to the board of directors and named vice chairman is Mr Gerald M. Levin, an executive vice president and chief strategist for this media and entertainment group. Mr Glenn A. Britt has been elevated to chief financial officer from vice president, finance, while Mr Tommy J. Harris, Time Inc. controller, has been made a vice president.

In a memorandum to the staff, Mr Munro and Mr N.J. Nicholas Jr, Time Inc. president, said: "In giving Jerry the new title of vice chairman, the board acknowledges the important role he has played over the past two years in advising us in a wide variety of ways. His active participation and wise counsel in every major

corporate decision during that period have been of incalculable value to Time."

Mr Levin, 49, has held the position of executive vice president since 1984. In addition to his responsibility for examining alternative strategies for the group, he is in charge of financial, legal, public and government affairs, and human resources. He and Mr Britt, 39, have both been with the company since 1972. Mr Harris, 41, joined in 1983.

At Scott Foresman, acquired by Time Inc. in late 1986 and one of the largest publishers of textbooks in the US, Mr George Arlandi, 47, has been named chairman, Mr Richard E. Peterson, also 47, president, and Mr Herbert O. Nichols, 55, executive vice president.

The appointments were announced by Mr Kelso F. Sutton, chief executive of Time Inc.'s Books Group and an executive vice president of Time Inc., who had also been chairman of Scott Foresman.

Mr Richard T. Morgan, 51, has resigned as president and chief executive of Scott Foresman to pursue other interests. He was praised by Mr Sutton for "building strongly on Scott Foresman's reputation for publishing exemplary educational materials while producing superior financial results.

New York Fed Bank names senior executive

DIRECTORS OF THE Federal Reserve Bank of New York, the central bank for the US, have appointed Mr James H. Oltman first vice president and chief administrative officer.

He succeeds Mr Thomas M. Timlen, who elected to early retirement from July 1.

Mr Oltman, 57, was formerly executive vice president and special counsel at the bank. In his new post, he will also serve as an alternate member of the Federal Open Market Committee, the central bank's top monetary policy-making group.

Commenting on the appointment, Mr E. Gerald Corrigan, president of the bank, said: "We are fortunate indeed to have someone of Jim Oltman's calibre and experience to assume the duties of the second ranking officer of the bank. I am confident that the bank and the financial community generally will benefit from Jim's efforts."

A 27-year veteran of the New York Fed, Mr Oltman served as general counsel from 1979 to 1987, when he was named special counsel.

Included most recently has been work on behalf of the US Presidential campaign of Senator Paul Simon, and direction of a national programme for housing renovation, economic development and job creation for the Department of Labour.

IDB tuned up for global expansion

IDB Communications, Los Angeles-based suppliers of satellite transmission services, has named Mr Philip McInnes vice president, international business development.

From his base in Washington D.C., Mr McInnes will be

manager and chief engineer, broadcast services. Prior to that, he worked for British Telecommunications International (BTI) as executive engineer, satellite operations.

Mr Sudikoff said: "The international telecommunications industry is undergoing substantial deregulation worldwide, which will open the door for increased competition and opportunities, allowing IDB to gain a stronger foothold in many foreign markets. Towards that end, Phil McInnes will be a wonderful asset to IDB. Phil possesses a wealth of knowledge and experience in international telecommunications."

IDB has reached an agreement with Soviet officials to build an earth station in the Soviet Union and to supply transmission services between the US and the USSR. In addition, IDB is building an earth station at The Teleport in New York, specifically to accommodate services on the new PAN-AMSAT satellite.

The company recently expanded its international audio transmission services to include a full-time transatlantic digital audio link between the US and the UK, and it supplies International Business Services (IBS) to and from locations worldwide. IDB has also supplied transmission services for television and radio remote broadcasts from locations all over the world.

Mr Philip McInnes is responsible for the ongoing management and future expansion of IDB's international satellite transmission services. He will report to Mr Jeffrey Sudikoff, president and chief executive of IDB, which is a public company traded on the NASDAQ over-the-counter National Market System.

A veteran international satellite communications expert, Mr McInnes joins IDB from the International Telecommunications Satellites Organisation (INTELSAT), where he was

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Finance Director

Manufacturing

West Midlands c£30,000 + Bonus + Car

This is a broad based financial role in an autonomously run manufacturing subsidiary of a US multi-national selling a specialised range of capital equipment.

Candidates should be under 45, professionally qualified accountants with several years of industrial experience and currently working as a controller/director of a company which is preferably independent. Familiarity with US-style management and reporting requirements is desirable together with experience of treasury work, currency dealing, risk assessment, strategic planning, profit forecasting, data processing and managing a team of people.

The Company is a profitable market leader in its sector and geared for growth. The remuneration package includes a substantial bonus, options and good pension arrangements. Career prospects are excellent, particularly for someone capable of moving up into a general management role.

Applicants, male or female, should either write or telephone quoting reference B3052/1.

Peter Nurse
Mason & Nurse Associates
126 Colmore Row
Birmingham B3 3AP
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INTERNATIONAL BANKING



Are you ready for a more challenging role in the City

Age to 35

To £45,000+Car+Benefits

A unique opportunity has arisen to join a major International Bank as **Deputy Financial Controller** heading up the dynamic areas of MIS and New Product Development.

Essentially a good technician, you will be an excellent communicator who can delegate effectively and bring out the best in staff at all levels. Twenty-five staff will report directly but as **Deputy for the Financial Controller**, the appointee will motivate and control forty others. Evidence of strategic thinking is essential as the incumbent must have the potential to take over the Controller's responsibilities within a two year period.

Suitable applicants will be bright ACAs and natural leaders, with strong interpersonal skills and a knowledge of Wholesale Banking gained either in a line accounting or audit capacity.

Written applications enclosing an up-to-date CV should be submitted in strict confidence to **Malcolm Edgell BSc, FCA** or **Colin Vasey BSc** at 410 Strand, London WC2R 0NS quoting reference 2361.

FINANCIAL & MANAGEMENT RECRUITMENT CONSULTANTS
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DOUGLAS LLAMBIA'S ASSOCIATES LIMITED, 410 STRAND, LONDON WC2R 0NS
TELEPHONE: 01-836 9501

FINANCIAL ACCOUNTANT

**.. product development .. system enhancement ..
.. sensitivity analysis ..**

CITY c.£30,000 NEG PLUS CAR

Our client is a highly respected international bank with offices in the world's major financial centres. To strengthen further the London-based financial team in line with the bank's increasing drive to diversify its services, it now wishes to appoint an additional accountant to assist in this increasingly complex environment and to help particularly in the challenging area of product development.

In addition to standard financial and management accounting duties the successful candidate will work alongside the Financial Controller providing analysis of new products and procedures. To compliance, regulatory returns, budgetary assessments and taxation work will be added significant involvement in the overall activities of the branch to complete a wide and varied range of duties.

Candidates, ideally graduates, must be Chartered Accountants with a minimum of 2 years' post qualifying experience including bank treasury and security products gained either through the profession or within the financial sector.

This is an ordinary accounting appointment. It calls for a high level of personal commitment, energy, enthusiasm and humour, coupled with sound technical knowledge and man-management skills.

The salary is negotiable and the attractive benefits package will include a car, whilst the position also provides for significant career potential.

Please forward a curriculum vitae in strict confidence to **Roy Webb, Managing Director**, or **Walter Brown, Executive Director**, or telephone them on (01) 895 8050.

INTERNATIONAL SEARCH AND SELECTION CONSULTANTS

7 Birch Lane
London EC3V 9BY
01 895 8050
01 826 2150
(Answerphone)

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ACA's Counsellor Planning to £15,000
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Internal Audit £20,000
P. and Financial Accountants
- Chief Accountant (M/DAS) to £25,000
Recently Qualified Accountants £22,000
Please telephone CHRIS WINGFIELD
or ANNE LONDON
01-271 0146
Bank Chambers, 2nd Floor,
314 Bridgeman, London EC2M 4PT

Recent graduate in
accountancy aged 27
years seeks position in
industry as a trainee
management accountant
to gain C.I.M.A.
qualifications.

Write Box A0974,
Financial Times,
10 Cannon Street, London
EC4P 4BY

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require qualified
accountants to support
international clients in:
(1) Financial services
(2) Industry
Send C.V. to B.A.M.C.,
81 The Ridgeway,
London NW11

Finance Manager

c£30,000 + Car

A measure of this major British company's success is its growth in the last seven years: sales turnover has quadrupled to around £2 billion and profits have leapt almost 600% to more than £700 million. As well as being one of the UK's fastest growing and most successful multinationals it is a market leader in its field.

This success has prompted reorganisation and the need for a Finance Manager for a trading division within the main UK operating company. As a key member of the executive team you will provide a financial management service to both management and the Board of Directors. Emphasis will be placed on assisting the division's commercial growth through the establishment, development and monitoring of effective budgeting and

MKA SEARCH INTERNATIONAL LIMITED
MKA House, King Street,
Maidenhead, Berks SL6 1EF
Telephone: 0628 75956

Maidenhead, London, Worcester

West London

strategic planning. You will also initiate critical appraisals of business opportunities, operational reviews and ad hoc projects.

Candidates will be graduate qualified accountants or MBAs, aged 26-33, with at least two years' post-qualifying experience in industry. You should be commercially astute, energetic, innovative and have interpersonal skills to allow you to make a positive contribution toward business development. Success in the role will bring excellent career development opportunities.

Please send career and current salary details to Sue Rossiter at our Maidenhead office. Alternatively, please telephone her on 0628 75956 (anytime) to find out more. Strict confidentiality is of course assured.

MKA
Search, Selection & Management Consultancy

20 Accountancy Personnel

Placing Accountants First

KPMG Peat Marwick McLintock

RECENTLY QUALIFIED

Leicester Eligible dependent upon age and experience
We have several vacancies for qualified accountants in this attractive part of the East Midlands.
★ Large expanding office (200+) ★ Excellent career opportunities
★ Wide portfolio of audit clients ★ Relocation expenses paid
★ Special work and investigations

MANAGER, POLICIES AND PROCEDURES

Peterborough £22,000+Benefits
A technically orientated ACA/ACCA with 2/3 years post qualification, an ability to communicate at all levels and at ease with 'state of art' reporting systems.

The successful applicant will be central to the development of accounting policy, acting as the focal point on all technical matters, and manage the introduction of computerised reporting systems throughout this international manufacturing group.

Prospects within the group for career advancement are excellent.

DATA TRANSLATION STEP INTO SUCCESS!

Thames Valley £20,000+Car+Profits
Heading up the Finance function for this rapidly expanding hi-tech manufacturer, you will be responsible directly to the US parent for management and development of monthly accounts and reports as well as budgets, forecasts, etc. Preferably qualified, but with a flexible, marketing-orientated approach; this could provide you with the ideal stepping stone from pure accountancy into general management.

FOOD FOR THOUGHT

North Cheshire £20,000-£25,000+Car
Reddish Seville is the only major British supplier of detergents and sanitizers to the world's food, brewing, beverage and dairy industries. Their outstanding success is due to a total commitment to producing high performance products designed to meet the very specific needs of their diverse clients. Their commitment to excellence extends to their finance function where they currently have an exceptionally challenging opening for a commercial accountant of the highest calibre.

As financial controller you will not only lead and strengthen the accounting team but also develop it, together with your role, far beyond their current boundaries.

Your success will be rewarded not only in terms of financial benefits but also with satisfying career prospects.

HAMPSHIRE

Assistant Chief Officer Finance and Information

£21,400-£23,600

The Hampshire Fire Brigade is looking for a dynamic individual to head the non-uniformed staff of the Brigade. Reporting directly to the Chief Fire Officer, this newly structured third tier post forms part of the Brigade management team and reflects the importance attached to the operational and preventive roles.

In addition to supervising the reference areas of finance, information technology and committee services there will be a personal responsibility for ensuring adherence to the legal, financial and procedural framework within which the Fire Brigade in particular and the County Council in general operate.

Key areas for early attention will be a review of financial systems to ensure optimum control and efficiency of a £17 million budget, and the further development of policy relating to the use of information technology.

Ideally a qualified Accountant, you will have relevant experience at a senior level in either the private or public sector. You will possess excellent financial, administrative and communicative abilities, along with the drive to make things happen.

This key post offers an attractive salary and superb working environment in one of the country's leading Fire Brigades. Other benefits include essential car user or leased car scheme and generous relocation assistance where appropriate.

We pursue a policy of equality of opportunity. Applications are particularly welcome from people with disabilities.

Interested? Please write or telephone for an application form and job description to: Mr. D. G. Jeffries, Personnel Officer, Hampshire Fire Brigade Headquarters, Leigh Road, Eastleigh, Hampshire, SO5 4S. Telephone: Eastleigh (0703) 620000, ext. 260. Anaphone: Eastleigh (0703) 617238. Closing date: Monday 12 September 1988.

FIRE BRIGADE

Directorate Of Housing Services

FINANCE CONTROLLER

£14,241 - £15,417

(pay award pending)

A key job in an organisation which is currently working towards decentralising i.e. £21m. Maintenance budget to District Housing teams, and has a capital budget of over £40m to manage.

Candidate should possess a sound financial background but more importantly must demonstrate the ability to develop the use of personal and mainframe computer systems to improve management information.

We offer a competitive salary, car allowance, a 35-hour week with flextime together with excellent pension arrangements. We positively encourage women, ethnic minority groups and people with disabilities.

For further information please ring John Cole, on 01-854 8888 extension 3766. Alternatively, write for an application form to: Director of Housing Services, London Borough of Greenwich, Peggy Middleton House, 50 Woolwich New Road, Woolwich, SE18 6HG. Tel: 01 316 6087 (Ansaphone).

Closing date: 16th September, 1988

OPERATIONS EXECUTIVE

+ 30K Package

HAMBRECHT TERRELL INTERNATIONAL: Architects and Interior Designers are seeking to recruit an administrator/financial controller to work for its' successful London office.

Responsible for the efficient running of the U.K. office, preparation of management accounts, tax planning and investment funds.

The successful applicant should a self-generating manager with a sound commercial mind. The position would suit a qualified accountant with 6-10 years experience.

Please send CV and present salary in confidence to:

**SENIOR VICE PRESIDENT,
HAMBRECHT TERRELL INTERNATIONAL,
37 GOLDEN SQUARE, LONDON W1R 3AA**

Newly Qualified Management Accountancy Appointments

For the first time on September 8th, 1988 the Financial Times proposes to publish a list of the Management Accountants who have been successful in the recent Stage 4 final examinations.

The heading will be "Newly Qualified Management Accountancy Appointments", and is an ideal opportunity to recruit Management Accountants with at least three years business experience.

The advertising rate will be £47.00 per single column centimetre with premium positions available by arrangement at £57.00 per single column centimetre.

For further information please contact:-

Louise Hunter

Appointments, Advertisement Manager

on 01-248 8000 Ext: 3588

or your usual Financial Times Representative

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Jack in the Box

Job invites

Finance Director

Manchester

Our client is a rapidly expanding specialist manufacturing subsidiary of a major UK industrial group. They wish to maintain their position as an industry leader and are committed to expansion plans which include further acquisitions in addition to continued organic growth.

They seek to appoint a Finance Director to assume responsibility for the finance, data processing and company secretarial functions. In addition a significant contribution in the areas of commercial decision making and strategic development is expected.



Michael Page Partnership

International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

£25,000+ Car

Candidates, aged 35-45, should be qualified accountants possessing sound technical abilities and a record of success in senior management positions. In addition they should be able to demonstrate the personal and business skills required to progress rapidly into general management.

Interested applicants should contact Iain Blair ACMA, quoting reference 3055, at Michael Page Partnership, Clarendon House, 81 Mosley Street, Manchester M2 3LQ. Tel: 061-228 0396.

Deputy Group Taxation Manager

Greater London

The Company

The group is one of the UK's leading high technology companies with a turnover of over £1 billion. Operating in a fiercely competitive international market they have emerged as a world leader in their field. The company is firmly committed to a policy of growth and innovation.

The Role

The main function of this role is to provide an effective tax service to the group on a UK and worldwide basis. This will include compliance and planning work in addition to specific one-off projects. Ad hoc exercises will involve work on UK acquisitions/disposals and overseas projects, areas in which the group is particularly active.



Michael Page Partnership

International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

£32,000+Car and Benefits

The Person

This challenging role offers an ideal opportunity for a successful corporate tax specialist to make their first move into industry. Applicants should be ATII/ACA qualified and should be professional, energetic, have well developed communication skills and commitment to a career in taxation.

For further details please contact Vanessa Nelson at Michael Page Partnership, Centurion House, 136-142 London Road, St. Albans, Herts AL1 1SA or telephone her on 0727 65813.

Financial Controller

Sheffield

Highly Competitive salary + car

A key development role in a growth business

This is a significant challenge for a qualified Accountant to play a full and active part in achieving business objectives.

Steetley Quarry Products Limited is a major subsidiary of the £470 million per annum turnover Steetley PLC and is one of the companies through which the continued expansion of its Construction Materials activities will be achieved.

As Divisional Financial Controller, you will report directly to the Divisional Managing Director and be responsible for the provision and management of an efficient, integrated accounting function. As a member of the Senior Management team, you will be fully involved in developing strategic policies, capital project appraisal and acquisition studies.

You should have substantial experience of financial control in a computerised commercial environment. Ideally aged 30-40, you are now looking for an opportunity to demonstrate flair, initiative and youthful potential.

An attractive package includes company car, relocation assistance and highly competitive salary.

Please send a full CV or write in sufficient detail to render an application form unnecessary to: Denis Harris, Personnel Manager, Steetley Quarry Products Limited, Construction Materials Division, Kiveton Lane, Kiveton Park, Sheffield S37 8NN. Telephone: 0909 770501.



BUSINESS DEVELOPMENT AND FINANCIAL ADVISER

PROMOTING FAIR COMPETITION FOR BRITISH INDUSTRY

Glasgow £19,905 - £27,085

The development of the oil and gas resources of the UK continental shelf is an important element of the UK economy, demanding a wide range of support services and goods. Ensuring that British firms are given full and fair opportunity to compete for this business is a major task which is undertaken by the Oil and Gas Supplies Office.

We are now looking for a creative, innovative Business Development and Financial Adviser to take on a demanding role, providing advice to OGO on how it might assist UK companies to compete on their export markets in the offshore market. You will also be responsible for pursuing joint ventures or acquisitions to improve UK capability in established markets and assisting small businesses in creating a viable structure in order to develop and exploit important oil-related technologies.

You should possess a recognised accountancy qualif-

cation and several years' experience in the oil and gas banking field. A working knowledge of company law and taxation combined with experience in devising financial packages are essential. Drive and initiative together with excellent communication skills are important qualities.

A salary range of £19,905 - £27,085 according to qualifications and experience, with further increments to £31,560 depending on performance, is accompanied by relocation expenses of £5000 where appropriate.

For further details and an application form (to be returned by 12 September 1988) write to Civil Service Commission, Almon Road, Basingstoke, Hants RG21 1JB, or telephone Basingstoke (0256) 468551 (answering service operates outside office hours).

Please quote ref: G7/882.

The Civil Service is an equal opportunity employer

DEPARTMENT OF ENERGY

Head of Accountancy Services

You head a Finance Branch where the major part of the workload is concerned with the Pharmaceutical Price Regulation scheme. You will also be responsible for its management and for professional standards and training. You will contribute to Divisional policy and provide advice to the Department on professional and commercial accountancy matters.

You must be professionally qualified in accountancy (ICAI, CIMA, CIMA or CIPFA) with around five years' experience in a professional office and in industry. An extensive knowledge of professional accounting and commercial matters is a strong requirement.

Salary £21,855 - £28,535 (inclusive of £1,750 Inner London Weighting). Starting salary according to qualifications and experience, with further increments to £33,310 dependent on performance. Relocation assistance may be available.

For further details and an application form (to be returned by 8 September 1988) write to Civil Service Commission, Almon Road, Basingstoke, Hants RG21 1JB, or telephone Basingstoke (0256) 468551 (answering service operates outside office hours). Please quote ref: G7/882.

Department of Health

The Civil Service is an equal opportunity employer

ACCOUNTS AND ADMINISTRATION MANAGER HEMEL HEMPSTEAD

c. £20,000 plus benefits

To manage a department of 11 within a medium sized company manufacturing materials for the construction industry.

As the senior accounting role within the company, reporting to the Group General Manager we are looking for a Qualified Accountant with commercial experience in a similar environment. As a new IBM Compatible PC Network System has recently been installed relevant computer experience would be an advantage. The position involves the production of Budgets, Management and Annual Accounts information to tight deadlines.

The successful applicant will also be responsible for maintenance of all personnel records, and for the management of all administrative services at the Company's Head Office.

Interested applicants should send a CV for the attention of K. Haynes, at the address below.

BORAL

Personnel Systems Limited,
Cleveland Road, Cleveland Road,
Hemel Hempstead, Herts HP2 2SY
Telephone: Hemel Hempstead (0442) 69331
Telex: 802577 TCOLT G
Facsimile: (0442) 69996

FINANCIAL ACCOUNTANT

A small, acquisitive plc operating in the advertising and marketing services sectors seeks a bright, commercially aware young accountant to oversee its financial accounting function.

Reporting to the Group Finance Director, the successful applicant will assume responsibility for the preparation of monthly management and statutory accounts for five operating subsidiaries.

Joining a small head office team the position demands, in addition to sound technical ability, both the adaptability and highly developed communication skills required in a closely knit "hands-on" management environment.

The remuneration package will reflect both the nature of the job and the applicant's own experience. Please apply, in writing, enclosing a current CV and salary to:

Martin Rands, Group Finance Director,
Osprey Communications plc, County House,
10 Little Portland Street, London W1N 5DF

DIRECTOR OF FINANCIAL SERVICES

UP TO £24,288 p.a.

A motivated Financial Manager is sought with a good track record in assisting successful implementation of local authority services and new developments.

This post offers the opportunity to work in a modern Local Authority (population approaching 110,000 and annual budget of £80m), situated in an important Development Area of central Scotland.

The Council offers a full benefits package and the salary is due for review from 1st July 1988. An application available from the Chief Executive, Moniklands District Council, Municipal Buildings, Dunlop, East Ayrshire, KA5 5LF Tel: 0246 246441 ext. 200. Closing date for applications 9th September, 1988.

MONIKLANDS DISTRICT COUNCIL
MANAGING PROGRESS EFFECTIVELY

CHIEF ACCOUNTANT INVESTMENT BANKING

£35K + CAR + BONUS + BANKING BENEFITS

The securities division of our client, a major international Bank, has traded profitably for several years in the major global markets. Continued business expansion has now created the need to recruit a key executive who will influence and implement the necessary changes that will ensure the smooth running of the division.

As a Qualified Accountant (late 20s - late 30s) you will be familiar with regulatory reporting requirements, management reporting, systems development, and be currently in a position where you have staff management responsibility - team building within the division will be an important aspect of the job. In addition...

RECENTLY QUALIFIED ACCOUNTANTS. c. £25K.

Our client also invites applications from newly Qualified Accountants (first time passes) with sound financial accounting skills who would like to embark upon a career in banking/broking.

Please apply in confidence by telephoning the retained consultants (RICHARD LOVING OR ALASTAIR PRIMROSE) on 01-637 5277 or send a comprehensive curriculum vitae including salary history and daytime telephone number.

PRIORITY SELECTION LIMITED
1-3 Mortimer Street, London W1N 7RH. Telephone 01-637 5277
Telex: 2992307 FCENTG Fax: 01-636 6723

Management Accountant

West End

Attractive salary + car

This client is the oil exploration and production division of a major International group with diverse interests. There is now an immediate requirement for a qualified accountant to join their small but professional team. The role will encompass budgeting, strategic planning, financial and management accounts. Ultimately the successful candidate will become involved in systems developments including modelling finance for major projects and taxation matters. Candidates should be qualified accountants, age indicator, 26-30, who feel that they could make an immediate contribution

in a demanding environment and who could progress within the organisation. A highly competitive remuneration package will include a fully expensed car.

Interested candidates should send a résumé quoting ref: 225 or telephone:

Nigel Hopkins FCA,
97 Jermyn Street,
London SW1Y 6JE

Tel: 01-839 4572

Cartwright Hopkins

FINANCIAL SELECTION AND SEARCH

JOIN LE RETAIL SET

Financial Manager

Age 25 - 30

Le Set, based in Chelsea, is a revolutionary new retail concept, selling many of the world's most prestigious electrical products to some of the capital's most discerning and affluent consumers.

As an autonomous member of Thorn EMI, we have established a widespread reputation for elegance, sophistication and style. A young qualified "shirt-sleeves" accountant, seeking instant all-round business exposure, is now required to assist us in our expansion. Willing and adaptable, you will be keen to become involved in every aspect of the company's business.

Working closely alongside the Managing Director, you will relish the substantial challenge of commercially supporting this business as it grows. Your role will encompass an exceptionally broad range of responsibilities, including day to day control of all financial aspects, providing management information, systems implementation and development, financial planning and analysis.

Please write, enclosing full CV, quoting Ref: A169, to Ian R. Hetherington at Mervyn Hughes International Ltd., Management Recruitment Consultants, 63 Mansell Street, London E1 8AN. Telephone: 01-488 4114.

ASSISTANT to GROUP CONTROLLER

BUCKS neg. c.£25,000 + CAR

A major British manufacturing group with annual sales c.£80m seeks a strong but diplomatic young CA/CIMA/ACA in the probable age range 25-32 as a senior member of the finance management team.

The successful candidate will be clear thinking and analytical and should have a proven track record of 1-2 years systems experience including successful implementation as there is initially a 12 month systems task to be done.

Career prospects for someone who shows dedication and loyalty are FIRST CLASS and will be clarified to shortlisted candidates.

PARTNERSHIP ADMINISTRATOR

LEADING LEGAL PRACTICE AGE 30-40 c.£30,000

Our Client, a long-established and expanding practice, seeks to appoint a capable and innovative person to the above position. Reporting directly to the Senior Partner, the successful candidate will be responsible for the complete day-to-day administration and accounting functions, together with playing a significant role in the policy making and planning process.

Applicants, who will ideally possess an Accountancy qualification, will be able to demonstrate a successful career path in the fields of Accountancy/Administration/Company Secretarial, and experience from within a professional firm would be a decided advantage. Considerable autonomy will be afforded to appointee, and accent will be placed on both practical and conceptual skills.

Fringe benefits will include a Company Car and Pension Scheme.

To discuss this position in more detail, in confidence, please contact: ROD JORDAN (Managing Director)

RODAN MANAGEMENT LIMITED
14 DEVONSHIRE SQUARE - LONDON EC2 - 01-377 1999
RECRUITMENT CONSULTANTS

Planning and Distribution Accountant

Optimising supply costs through developing logistics

Nottingham

Boots, already at the forefront of distribution technology is making substantial investment in advanced on-line ordering and supply systems linked with EPOS and DPP. As part of our drive towards higher levels of achievement and profitability this new position has been created.

A fully qualified management accountant with drive, commitment and experience of the distribution industry, you will appreciate the significant commercial advantages, particularly for retailing, to be gained from effectively managing the total supply chain. Working closely with senior management your knowledge of Logistics and integrated supply systems will enable you to evaluate the cost and service implications of new initiatives as well as analyse and report ongoing performance.

For someone with proven ability and ambition future career progression opportunities within the company are excellent.

The attractive salary and benefit package will reflect the seniority of the position and includes staff discount, profit sharing and, where appropriate, assistance with relocation.

Please write enclosing a full c.v. and current salary details, or telephone for a company application form, to: Peter Hampton, Recruitment Officer, The Boots Company PLC, Head Office, Nottingham NG2 3AA. Tel: (0602) 592321

THE BOOTS COMPANY PLC



JOHN SWIRE & SONS LIMITED



RECENTLY QUALIFIED ACCOUNTANT

The Head Office in London of this international group is seeking a young qualified accountant, or finalist awaiting results.

The successful applicant will be responsible for the Head Office accounts department, undertake the preparation of statutory accounts, budgets and management accounts for a number of companies and assist with the Group consolidations.

A computerized accounting system has recently been installed and a number of database and financial information projects are in the course of development, in which the successful candidate will participate.

A computerized accounting system has recently been installed and a number of database and financial information projects are in the course of development, in which the successful candidate will participate.

A competitive salary plus a car is offered. The Company operates a subsidised mortgage scheme, a bonus scheme and provides excellent pension benefits.

Write in confidence to:
J.C. Brodie, Personnel Manager
JOHN SWIRE & SONS LTD.
Swire House, 55, Buckingham Gate, London SW1E 6AJ

A direct line to the executive shortlist

To secure the best appointments at a senior level needs more than good advice, accurate objectives and succinct presentation.

InterExec not only provides career advice, but also a unique service to bridge the critical gap between consulting and the right job. Why waste time and money on unproductive letters?

InterExec clients do not need to find or apply for appointments. Over 50 full-time staff with over 5,000 unadvertised vacancies p.a. enable InterExec to offer the only confidential Executive placement service.

What is each unproductive day costing you?

For an exploratory meeting without obligation, Telephone InterExec on 01-930 5047

A member of the Career Development & Outplacement Division

Landes House, 19 Charing Cross Road, London WC2H 0ES.

FOR ACCOUNTANTS

APPOINTMENTS

ADVERTISING

Appears every Wednesday and Thursday

for further information call 01-248 8000

Deirdre Venables ext 4177

Paul Maraviglia ext 4676

Elizabeth Rowan ext 3456

Patrick Williams ext 3694

Candida Raymond ext 3351

Company Secretary

c.£30,000 - £35,000 plus car.

Our client is a hotel-oriented property group based in central London. Specialising in serviced apartments and the development of luxury properties, this company has a portfolio of buildings in Kensington and Chelsea.

They are now seeking an ambitious accountant with a strong commercial sense to co-ordinate their various activities. As well as exercising financial controls, you will become involved in all aspects of the business. Specifically, you will dedicate yourself to building a good relationship with the bank and local authorities, maintaining all statutory controls, forecasting and reporting to the Board on all financial matters, and maintaining ultimate control over the accounts department, recruiting and developing staff as necessary.

Applicants, aged 35-45 should be qualified accountants who can demonstrate exceptional interpersonal skills. You must also be a strategic thinker with a flexible approach. Previous experience in the hotel or leisure industry would be a definite advantage but is not essential. You should, however, have extensive experience of management accounting, including a knowledge of computerised systems.

Excellent opportunities exist for sustained career development. This opportunity would particularly suit those candidates who would like to build upon their financial experience and launch their career into more general management.

Please write, with full career and salary details, quoting ref SHA 1160 to Kelly Irondo at the address below.

Stoy Hayward Associates

MANAGEMENT CONSULTANTS, EXECUTIVE SELECTION DIVISION, 8 BAKER STREET, LONDON W1M 1DA

A member of Howarth & Howarth International

FINANCE DIRECTOR

INTERNATIONAL CONSTRUCTION

CIRCA £35,000 + EXECUTIVE CAR & BENEFITS - WEST LONDON

Our client is one of the UK's foremost International Construction Companies holding an impressive portfolio of achievements worldwide with an emphasis on high quality and large scale project capability.

As a result of internal promotion within its parent Plc they seek to augment their executive team through the appointment of a Finance Director who will play a comprehensive role in the management and direction of its business as well as assuming the full functional responsibilities expected at this level of appointment. Stimulation and challenge will come from the wide spectrum of the client's modus operandi overseas from ownership of locally managed companies, through joint venture agreements or direct contract awards in the fields of comprehensive project management, main or management contracting. Particular areas of expertise and input include:-

- ▲ PROJECT FINANCE ON MULTI-MILLION POUNDS PROJECTS
- ▲ TREASURY CURRENCY MANAGEMENT
- ▲ INTERNATIONAL TAXATION

Candidates must be chartered ideally ACA and be able to demonstrate success in a similar international project related environment. The appointee will head up an established financial team involved in the provision of budgetary, forecasting information and the production of both statutory and management accounts. Our clients seek therefore first class leadership qualities reinforced with strong analytical skills in determining action plans and developing financial awareness throughout the company. Preference will be given to those who can demonstrate a hands on approach to business and for a goal minded professional who is seeking prospects for career progression within a major Plc.

Please write in strictest confidence, enclosing full career details, to Stephen Hill, FFCI, quoting Ref. SDH.565.

Hill McGlynn + ASSOCIATES

RECRUITMENT CONSULTANTS

8 0 7 0 3

2 2 9 9 7 7

Accountant for Tourism

Special Projects

c £25,000 + car

London base

This is a newly created position in the tourism division of a major international group. The company is a market leader in its specialist field and is especially well placed for further expansion in this fast growing sector.

Reporting to the Director of Finance you will work closely with senior management on a variety of projects concerned with operational efficiency, financial control and the profitable development of the business. Investment appraisal, acquisition studies and systems reviews are some of the areas in which you will be involved. There will be frequent trips overseas, mainly to Africa but also to the Pacific.

Probably still in the profession and in your mid twenties you must be a qualified accountant with strong analytical and communication skills. An outward going personality is essential together with the flexibility and commercial awareness to grow with the organisation. The opportunities for career and salary progression are excellent.

Please write in confidence to John Cameron, quoting reference C933, at 84/86 Gray's Inn Road, London WC1X 8AE (Telephone: 01-404 5971).

CAMERON · SIMPSON

Consultancy · Search · Selection

Financial Accountant

Central London c.£25,000+ car

BONSAI LIMITED, is one of the UK's leading microcomputer dealers and distributors, supplying quality PC equipment, peripherals and software.

We are recruiting a Financial Accountant who will be 'number two' in the department, reporting to the Financial Controller. Your overall objective will be to produce management information which is timely, accurate and reflects the requirements of all end-users - both within and outside the department.

You will be a qualified ACA, perhaps seeking your first move from the Profession, and be in your mid/twenty twenties. You should be able to lead, motivate and communicate with staff at all levels.

Bonsai is enjoying a period of rapid and successful growth, and will continue to do so. In joining an expanding company, the successful candidate can look forward to excellent career prospects.

Please write, with full and detailed CV, to:

Mr. Kieran Best, Recruitment,

Bonsai Ltd.,

112/116 New Oxford Street,

London WC1A 1HJ.



Financial Controller

Mid/late 20's

c.£25,000 + car

This is an exceptional opportunity to acquire responsibility for the finance function in a young dynamic advertising agency which is the founder and still the core activity of a plc group engaged in an aggressive policy of organic growth and acquisition. Opportunities for career development are therefore varied and significant. The initial role involves responsibility to the Finance Director for managing an experienced department of 12 people operating modern systems of accounting and financial control. This is an informal but professional environment where there are real opportunities to contribute commercially rather than just as a "scorekeeper". Qualities of leadership and communication therefore count for more than precise experience although an accepted accounting qualification is seen as essential. Ref: 1667/F. Write or telephone for an application form or send full details (with a day-time telephone number and current salary) to R.A. Phillips, ACIS, FCII, 2-5 Old Bond Street, London W1X 3TB. Tel: 01-493 0156 (24 hours).

Phillips & Carpenter

Selection Consultants

ACCOUNTANT/COMPANY SECRETARY

GOOD SALARY AND BENEFITS INCLUDING CAR, PRIVATE MEDICAL SCHEME, EXCELLENT PROSPECTS

A rapidly expanding private company operating from London NW4 and specialising in the marketing of electronic publishing equipment requires an experienced Accountant/Company Secretary. Reporting to the Chairman and Board, the appointee will be responsible for the financial control within the company preparing budgets/projections, cash flows, monthly management and year end accounts plus all legal matters. 'Hands on' computer experience is essential for the position. There is a probability of a Board appointment within 2/3 years.

Applicants must be qualified accountants. Age will be no barrier to the appointment (38-50 preferred).

Please reply with full CV to: Box A0972, Financial Times, 10 Cannon Street, London EC4P 4BY

GROUP ACCOUNTANT

CHARTERED ACCOUNTANT required for expanding Merchant Bank Group. Computer experience essential.

Successful applicant will control all aspects of preparation and presentation of accounts and financial reporting. Remuneration based on £20,000 per annum.

Apply in writing to Miss J.A. Bolton, Neville Group Limited, Neville House, 42/46 Hagley Road, Birmingham B16 8PZ

TAX MANAGER

Scottish Amicable Life Assurance Society is a major mutual life office managing funds in excess of £5 billion, and experiencing substantial growth. An opportunity arises within the Accounting Department based in Glasgow Head Office, to lead a small team specialising in all taxation aspects of the Society's business.

Reporting to the Accounting Manager, the role will include control of the tax computation for the Society and its subsidiaries, direct liaison with the Inland Revenue on all associated matters, corporate tax planning and the development of the Society's taxation procedures and systems.

Applicants must have a sound knowledge of the relevant tax legislation, reinforced by wide practical experience of dealing with corporate tax affairs at a senior level.

Suitable applicants are likely to be Associates of the Institute of Taxation and may well possess an appropriate professional qualification in accountancy or law.

A highly competitive remuneration package including a company car will be offered. The Society operates a subsidised mortgage arrangement and a non-contributory pension scheme.

Send your full C.V. to W A M Williamson, MA CII, Senior Manager (Recruitment & Training), Scottish Amicable Life Assurance Society, Craigforth (P.O. Box No. 25), Stirling FK8 4UE.

SCOTTISH AMICABLE
LIFE ASSURANCE SOCIETY

Management Controls

Thames Valley c. £25,000 + car

Our client, a one billion pound turnover company which is a leader in the telecommunications field, seeks two qualified accountants to play a major role in the development of improved financial controls and systems for the 1990s.

Candidates, probably aged 24 - 32, will be qualified accountants with the ambition to move towards profit centre controllerships via a limited period in the central management control function. Professional competence, self-reliance and inter-personal skills are essential qualities. The company places considerable importance on career development and therefore prospects are excellent.

For a full job description, please write to W T Agar at John Curtis & Partners, 104 Marylebone Lane, London W1M 5PU, demonstrating your relevance clearly and quoting Ref: 229/FT. Both men and women may apply.

JC&P
Management
Selection and
Search
London, Milton Keynes, Winslow

ROUGH TRADE DISTRIBUTION LTD Financial Controller

c. £ 25,000.00 performance related package.
Rough Trade, an employee owned company and the fastest growing distributor in the independent sector of the music industry, is looking for an ambitious qualified accountant to take full responsibility for a large finance department, all financial reporting and be able to combine close attention to detail with communication at a broad level.

Apply with full C.V. (incl. current salary) to Will Keen, 61 Collier Street, London N1

Newly Qualified Accountancy Appointments

As in the past the Financial Times proposes to publish a list of those candidates who were successful in the recent PII examinations. This list will appear in our issue of Thursday 29th September under the heading "Newly Qualified Accountancy Appointments". The advertising rate will be £47.00 per single column centimetre. Special positions are available by arrangement at £57.00 per single column centimetre.

Guide to Recruitment Consultants

Entries in the guide will be charged at £70.00, which includes your company name, address and telephone number. Any additional information will be charged at £14.00 per line.

For further information please contact:
Louise Hunter

Appointments Advertisement Manager
on 01-248 8000 Ext: 3588

or your usual Financial Times Representative

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Project Accounting with British Telecom Applied Technology

British Telecom Applied Technology are established leaders in the business of providing solutions to customer's data networking and computing needs. We are committed to quality. Quality of product, quality of the individual. Together these are combining to produce a completely new generation of thinking and innovation.

An important activity is the provision of management accounting services to BTAT Projects and to complement an existing busy and very competent team, two experienced Management Accountants are needed who will be based in Central London.

Quickly becoming involved in a diverse range of activities which will stretch your expertise, you will work largely autonomously. Responsibilities cover assisting in the construction of realistic, accurate and fully calendarised budgets, ensuring Managers are kept informed of their financial performance and that they adequately maintain stock records. A wide range of business statistics relating to BTAT Projects are continually being developed which require the latest management account techniques and systems.

A fully qualified Accountant you will possess several years relevant experience gained in a fast moving business environment where a knowledge of financial services was required.

A salary up to £23,500 pa is offered together with an attractive benefits package, which includes a performance related pay progression scheme, management bonus and pension scheme.

In the first instance please send career details to: Tim Stone, BT Applied Technology, Personnel, Third Floor, Becket House, 60-68 St Thomas Street, London SE1 3QU, or for further information telephone Clive Cooper on 01-728 3325.

British TELECOM
British Telecom is an Equal Opportunities Employer

Factory Accountant South Coast - Worthing Package c.£30,000. Car and Non-Contributory Pension

Due to promotion, a challenging position offering an excellent opportunity to develop your management, communication and technical skills is available at our Worthing site, which is engaged in the development of manufacture of bulk chemical and pharmaceutical products.

The post reports to the Chief Accountant, Human Resources UK Division at Brentford, Middlesex and has a staff of 39. It carries responsibility for the provision of a comprehensive financial and management accounting service to both site and head office management.

There is significant scope within this progressive environment for independent action in reviewing current activities and recommending and implementing improvements. The management of change is therefore important.

As a member of the Site Management Committee, you will also be expected to play an active role in the management of a large and complex site.

The successful candidate will be a qualified accountant probably in his/her early thirties, with a minimum of 5 years post qualifying experience, and a proven record in manufacturing industry.

We offer a remuneration package and relocation arrangements which reflect the importance of the position. In addition there are excellent prospects for promotion to a more senior role in due course. Applicants should send a full cv with details of their current remuneration package to: Mr I A Moore, Personnel Controller, Beecham Pharmaceuticals UK Division, Beecham House, Great West Road, Brentford, Middlesex TW8 9BD.

Beecham
Pharmaceuticals

Business appraisal on a worldwide scale Young Accountant

City £22,000 + Profit-Related Bonus + Car

Involved in the research, development, manufacture and marketing of a wide range of FMCG brands, this £300 million t/o multinational has aggressive global development plans.

Working for the International Division and reporting directly to the Group Financial Controller, this is an ideal opportunity for a young newly/recently qualified to become deeply involved in the following:

- ▲ Evaluation of overseas product performance
- ▲ Input on analysis of new commercial ventures
- ▲ Assist with the appraisal of acquisitions
- ▲ Monitoring performance of specific brands

As part of a small, close-knit team, you will also liaise closely with senior sales and marketing personnel and occasionally travel overseas for short periods. You will regularly report to the Board on divisional financial performance.

Progression to divisional controllership or a corporate/strategic planning role can be anticipated within 18 to 24 months. Future prospects, on an international scale, are outstanding.

For further information, please contact ANDREW LIVESLEY on 01-404 3155 at ALDERWICK PEACHELL AND PARTNERS, 125 High Holborn, London WC1V 6QH.

Alderwick & Peachell PARTNERS LTD

Company Notices

U.S. 100,000,000
UNION DE BANQUES ARABES ET
FRANCAISES
LIBAN

Subscription Rate Note
for 1988

In accordance with the description of the Notes, notice is hereby given that for the eighth interest period from August 18, 1988 to February 21, 1989, the Note holder may interest at 9½ % per annum.

The interest payable on the relevant interest payment date, February 21, 1989 will amount to US\$ 822,49 per Note.

THE AGENT BANK
BROUARD, BANC
S.A. LUXEMBOURG
GARDEN

CONTINENTAL (BERMUDA) LIMITED
U.S. 220,000,000

floating Rate Notes due 2000

Guaranteed by Hungarian Foreign Trade
Bank Ltd

Notice is hereby given that for the interest period from August 18, 1988 to February 21, 1989, a portion of the interest of the above named Note will be £ per cent per annum. The interest payment date, 18th November, 1988 will be US\$22,000,000 for each Note of US\$220,000,000.

Agent Bank
Dear Witter Capital Markets
International Ltd

Notice is hereby given that for the interest period from August 18, 1988 to February 21, 1989, a portion of the interest of the above named Note will be £ per cent per annum. The interest payment date, 18th November, 1988 will be US\$22,000,000 for each Note of US\$220,000,000.

Raybourn & Co
10 Princes Street
SPALDING
Lincolnshire PE11 1PZ

Solicitors for the above named Company

IN THE HIGH COURT OF JUSTICE CHANCERY DIVISION

No. 004038 of 1988

IN THE MATTER OF : APPLETREE HOLDINGS PLC

- and -

IN THE MATTER OF : THE COMPANIES ACT 1985

ACT, 1985

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice Chancery Division dated 23rd July 1988 confirming the reduction of the amount £4,200,000 relating to the cancellation of the share premium account of the above named Company from £36,220,000 to £1,000 was registered by the Registrar of Companies on the 8th day of August 1988.

Dated this 15th day of August 1988

Raybourn & Co
10 Princes Street
SPALDING
Lincolnshire PE11 1PZ

Solicitors for the above named Company

IN THE HIGH COURT OF JUSTICE CHANCERY DIVISION

No. 005441 of 1988

IN THE MATTER OF : INCHCAPE PLC

- and -

IN THE MATTER OF : THE COMPANIES ACT, 1985

ACT, 1985

NOTICE IS HEREBY GIVEN that the order of the High Court of Justice Chancery Division dated 26th day of August 1988 confirming the reduction of the share premium account of the above named Company from £36,220,000 to £1,000 was registered by the Registrar of Companies on the 8th day of August 1988.

Dated the 15th day of August 1988

Slaughter and May,
35 Beauchamp Street,
London EC2

Solicitors for the above named Company

Legal Notices

UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK

In re: HARTMAN MATERIAL HANDLING SYSTEMS, INC.
ALLIS-CHALMERS CORPORATION
d/b/a AMERICAN AIR FILTER COMPANY, et al., Debtors.

In Proceedings for a reorganization under chapter 11 case Nos. 87 B 11225 through 87 B 11242 inclusive (BRL)

NOTICE OF HEARING TO CONSIDER APPROVAL OF PURCHASE AGREEMENT WITH SNYDERGENERAL CORPORATION FOR SALE OF AMERICAN AIR FILTER BUSINESS

TO ALL CREDITORS OF ALLIS-CHALMERS CORPORATION, ET AL. AND OTHER PARTIES IN INTEREST HEREIN:

PLEASE TAKE NOTICE that on September 1, 1988, in Courtroom 623 of the United States Customs House, One Bowling Green, New York, New York 10004-1049 at 2:00 o'clock in the afternoon of that day, a hearing will be held before the Honourable Burton F. Lifland, United States Bankruptcy Judge, to consider the application of Allis-Chalmers Corporation ("A-C"), for and on behalf of itself and the other debtors and debtors in possession herein (the "Debtors"), dated August 9, 1988 (the "Agreement"), for the entry of an order:

(a) Authorizing A-C, pursuant to 11 U.S.C. Section 363 (b) and (f), to sell (or as the court may be, to cause its direct or indirect subsidiary to sell) the shares and assets of the Debtors to SnyderGeneral Corporation ("the Purchaser") and A-C as amended, the "Purchase Agreement" free and clear of all pledges, security interests, liens, charges, other encumbrances, claims, options and interests (except as otherwise provided for in the Purchase Agreement) (collectively, the "Lien") to either:

(i) The Purchaser pursuant to the terms and conditions of the Purchase Agreement, a copy of which is annexed to the application as Exhibit "A", or

(ii) to any other third party found by the Court to have made a higher and better offer (a "Competitive Bid") than that made by the Purchaser, for the purchase of the shares and assets and the transfer of the liabilities.

(b) Approving the Purchase Agreement (or any other Purchase Agreement) proposed in connection with a Competitive Bid in its entirety and all of its terms, and authorizing the performance thereof by A-C and its affiliates;

(c) Declining and adjudging that, subject to the limitations contemplated by any plan or plans of reorganization confirmed in these proceedings, the Lien, if any, shall attach to the proceeds (together with interest, if any, earned thereon and net of payments thereto authorized pursuant to such order) of the sale of the Shares and Assets subject to such Lien pursuant to the Purchase Agreement (or for a Competitive Bid) to the same extent and with the same validity, perfection and enforceability as such Lien had with respect to such Shares and Assets immediately prior to the entry of the Lien, subject to the same priorities, and enforceability of such Lien with respect to such proceeds to be determined by the Court upon the application of the Debtors or another party in interest, or pursuant to any plan or plans of reorganization confirmed in these proceedings;

(d) Authorizing the Debtors to pay out of the proceeds of the sale of the Shares and the Assets the following fees and expenses: (i) to Lazard Frères & Co. ("Lazard") on amount equal to 1-1/4% of the Consideration (as defined in the engagement letter between Lazard and A-C dated July 1, 1987) received, (ii) all costs and expenses necessary to carry Defaults (as defined in the Application) under all Assured Obligations (as defined in the Application) and to effect the sale of the Assets, (iii) to the Purchaser on the date of the sale of the Assets, (iv) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (v) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (vi) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (vii) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (viii) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (ix) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (x) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (xi) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (xii) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (xiii) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (xiv) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (xv) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (xvi) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (xvii) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (xviii) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (xix) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (xx) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (xxi) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (xxii) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (xxiii) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (xxiv) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (xxv) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (xxvi) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (xxvii) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (xxviii) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (xxix) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (xxx) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (xxxi) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (xxii) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (xxiii) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (xxiv) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (xxv) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (xxvi) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (xxvii) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (xxviii) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (xxix) to the Purchaser on the date of the sale of the Assets and to effect the sale of the Assets, (xxii) to the Purchaser on the date of the sale

MANAGEMENT: Marketing and Advertising

Council of Europe recommendations and satellite broadcasting could together make a drastic impact on both TV advertisers and viewers

The UK defends its commercial breaks

Nothing has provoked such militantly united opposition from Britain's commercial broadcasters, advertisers and advertising industry as the threats from the Council of Europe and the European Community to ITV's system of "natural breaks" television advertising.

An intensive campaign is now being waged against a Council of Europe draft convention that would drastically reduce the number of advertising breaks on Britain's commercial television channels.

Douglas Hurd, the Home Secretary, has indicated that he will reject the convention unless it is modified, but he is anxious to secure a European agreement on trans-frontier broadcasting.

The Independent Television Association (ITVA) claims that if the West German proposals – supported by Belgium, Greece, Portugal and the Netherlands – are adopted, "the financial base of commercial broadcasting in the UK will be seriously undermined."

Tony Vickers, chairman of the ITVA sub-committee dealing with the issue, says the plan would increase the cost of UK television airtime by a minimum of 6 per cent, but quite possibly by double or treble that figure.

There is concern, too, about the effect on the development of satellite broadcasting.

And, it is claimed, the effect on the British viewer who, in numerous polls, has shown a growing attachment to present TV advertising practices, would be far from beneficial.

The Article 14 proposals call for only one commercial break in feature films; and none in made-for-television films, documentaries and serials, which are shorter than 45 minutes. Longer programmes would contain one break only for each 45 minutes.

No advertising breaks would be permitted during news, current affairs, religious and children's programmes of less than 30 minutes, though a restricted number of breaks would be allowed in programmes of 30 minutes or more.

The worthy intent of these rules is to minimise the inter-

ruption of programmes and give viewers a better deal. But the effect in Britain, the ITVA argues, would be disastrous. Advertisers would face the prospect of having their advertisements lumped together mainly between programmes – perhaps up to 12 minutes of advertising, as is the case in West Germany now.

British viewers, weaned on short, sharp commercial breaks, it is said, would react by switching off or turning to other channels. Advertising impact would be greatly reduced.

The alternative – probably equally unacceptable to viewers – might be to encourage a larger number of shorter programmes, lasting perhaps 20 minutes, to provide more frequent advertising breaks; or more quiz shows which are exempt from the restrictions.

Research by the ITVA into one typical week's programmes in June showed that, if the proposed rules had been in force, the television companies would have lost 5 per cent of advertising time. There would have been 35 per cent fewer mid-programme breaks, and the number of short breaks, under 2½ minutes, would have been reduced by 45 per cent.

If the British Government does not sign the Convention, its provisions will not apply in the UK – but that does little at the moment to ease the fears of commercial broadcasters and advertisers. For substantial backing from other countries for the draft proposals would, they believe, almost certainly lead to the insertion of similar provisions in the European Community directive on broadcasting, which Brussels is eager to put on the statute book of member states.

The draft directive, deadlocked and unlikely to make much progress this year, at present provides for mutual recognition and tolerance of television advertising systems in member states; and the EC Commission appears inclined to continue to allow the UK its natural breaks.

But since the directive would be binding, no chances are being taken on Brussels suddenly getting some fresh ideas from Stockholm.

Philip Rawstorne

anced scheduling would reduce audiences and, in turn, make ITV less attractive to advertisers. Revenue would decline and there would be less money for making programmes.

"The sensible solution must be to adopt a simple formula allowing advertising breaks to be inserted at the discretion of the broadcaster, as long as the integrity and value of the programme is not prejudiced," says Vickers.

The entire British advertising industry – the Advertising Association, the Incorporated Society of British Advertisers, the Institute of Practitioners in Advertising, and the Association of Media Independents – has rallied behind the ITVA in pressing the British Government to pursue such a solution when Ministers meet in Stockholm in November to ratify the Convention. And advertising agencies and media independents are extending the campaign into continental Europe through their networks of subsidiaries and allies.

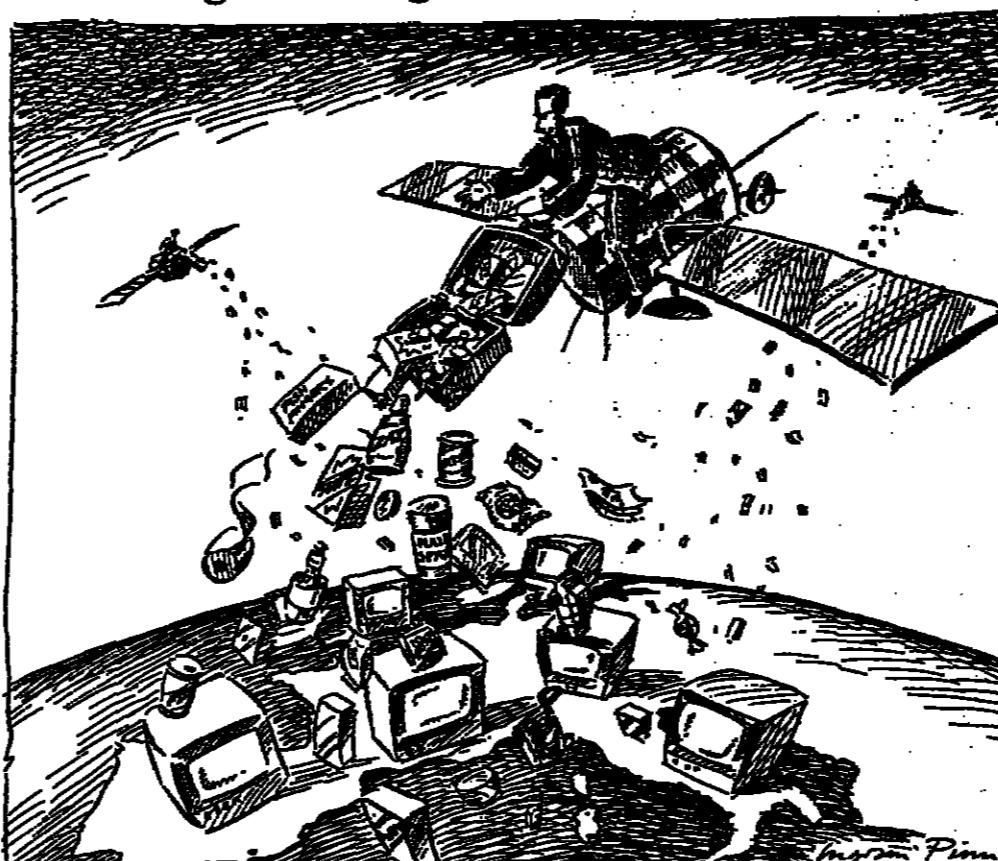
France and Italy are currently adopting a neutral stance. Ireland, Luxembourg and Spain are lining up behind the UK.

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If programme schedules were changed to accommodate the new rules, a decline in bal-



Nordic resignation

The Nordic governments seem resigned to the possibility that the growth of satellite broadcasting will leave them with little means of controlling what their native populations see on the screen.

For the restrictions which currently apply to conventional TV cannot easily be applied to satellite broadcast, especially once cheaper receiving dishes become available to Nordic households.

Instead, they hope that the Council of Europe, which is

discussing the question of satellite advertising, will come up with a convention which bans alcohol and tobacco advertising throughout Europe.

At present, advertising on television in the Nordic countries is subject to strict regulations, but in some areas there are already signs of these being relaxed.

Finland already has commercial slots on state-run television (a commercial TV company buys air time from the national TV and then pays for it through advertising).

Starting this autumn, Danish TV will carry advertising. Satellite broadcasts from, for example, Sky and Super Channel are available in the Nordic countries and the ScanSat Broadcasting Group, which is based in London, broadcasts commercial TV3 to homes in Sweden, Denmark and Norway via cable.

In none of these countries are the foreign advertisements the foreign advertisements subtitled in the local language – the exercise is seen as too costly and impractical, though EC regulations in this area would affect Denmark, the only community member.

However, there are restrictions on what kind of advertisements which break the regulations?

The Swedish authorities say this would automatically lead to the cable company which carried the programme losing its right to transmit. But they realise that with direct reception (ie a satellite dish per household) there would be no way of stopping viewers inside Sweden from seeing such advertisements.

But the problem remains: what happens if a satellite station transmits advertisements which break the regulations? The Swedish authorities say this would automatically lead to the cable company which carried the programme losing its right to transmit. But they realise that with direct reception (ie a satellite dish per household) there would be no way of stopping viewers inside Sweden from seeing such advertisements.

While there is an awareness of the problem, there seems to be very little public discussion – perhaps in the hope that the European Council will reach an agreement and solve the problem.

Sara Webb

were to be no advertisements "directed at Swedish viewers" – which effectively ruled out advertisements with prices quoted in Swedish kronor, in the Swedish language, or listing Swedish outlets.

However, TV3 says the regulations have recently not been so strictly enforced, so the result is that it has been able to carry advertisements from Swedish companies such as Trygg-Hansa, the insurance group, directed at Swedish consumers.

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The Dutch divide

The Netherlands is one of the world's last bastions against TV advertising but the defences are crumbling under assault from technology, advertisers and the European Community.

Dutch television broadcasting was founded on the notion that it should serve the public interest and not be dependent on commercial advertisers for financial support. The relatively small amount of revenue from TV adverts – Fl 36m (£36m) – is channelled through a government agency and then distributed to the various broadcasters.

The amount of total TV broadcasting time allowed for advertising is very small – less than 5 per cent, compared with the 16 per cent average in Europe – and is severely limited to certain spots. Also, TV commercials are subject to cumbersome approval procedures and are vulnerable to the pressures of Dutch Calvinism.

Commercials are forbidden on Sundays and are clustered mostly around news programmes. In a peculiar Calvinistic quirk, advertisers of confectionery must put a toothbrush somewhere in the picture and show only children older than 14 years.

A further sign of the heavy official hand was the ban imposed in 1984 by the Culture Ministry on foreign TV programmes that carried Dutch subtitles or contained adverts aimed at the Dutch audience.

Since then the ministry – which is responsible for broadcasting – has dropped its ban on subtitles under pressure from the Dutch courts and Brussels. But the ban on adverts aimed at a Dutch audience remains in effect.

Last April the European Court in Luxembourg ruled that the advertising ban violated the Treaty of Rome; but the ministry has yet to make a move toward changing the law. The European Commission has threatened to issue a warning to the Dutch Government if it does not move soon.

Pressure is also being brought to bear by Vacs, the cable TV operators' association. It plans to file a suit in Amsterdam in an effort to get a Dutch court ruling in line with the one from the European Court. That could be filed as early as next month.

Technology lobbed the first salvo against the TV advertising

ing ramparts. About 30 per cent of Dutch homes are wired for cable TV so when satellite broadcasting into the country began several years ago it quickly spread.

Sky Channel, Rupert Murdoch's satellite TV channel, and Super Channel, the other leading UK satellite broadcaster, posed the greatest threat in terms of advertising.

In 1986 the Dutch advertising industry launched the first legal attack on the foreign advert ban. Two industry associations filed suit in hopes of proving the two bans violated Dutch as well as European law.

The Dutch Supreme Court found the subtitle ban in violation of the constitution, forcing the ministry to drop it when it brought in the new media law.

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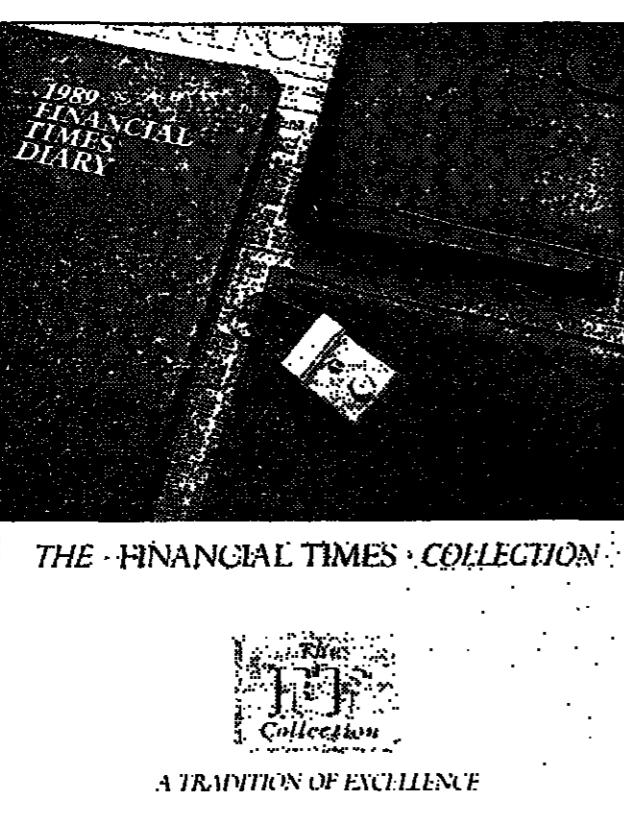
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ARTS

Drawing on the strength of a community

The nearest thing to Coronation Street in the south of England must surely be Beck Road in Hackney, East London. A grim, narrow street, unrelieved by any planting, the continuous facade of grimy-brick workers' cottages masks the animation of creative life behind the scenes.

The street is divided by a railway bridge, with the brick piers and arches disappearing into the houses on either side with surreal impracticality, as in a painting by de Chirico. The artist community of Beck Road lives on the other side of the railway tracks.

The 42 artists are part of a group who settled in short-life studio housing in Hackney during the 1970s under the auspices of ACME Housing Association. ACME is a charity which finds properties earmarked for redevelopment, assists artists in renovating them and manages low-rental studio-houses for artists, under licence from the owner. In the 1970s there was a stock of housing awaiting demolition, but the supply has dwindled to nothing.

Now the opportunity to buy the group of 25 houses in Beck Road from the Inner London Education Authority has been negotiated, and is urgent in the light of the ILEA's imminent demise. What is remarkable about the scheme is that the Beck Road Arts Trust intends to buy the properties in a group, to hold them in trust for the future use of an artistic community. The trust has rejected the notion of each householder negotiating with the ILEA for individual purchase, with the possibility of houses being dispersed into the commercial housing pool. The scheme is a new conception of arts support linked with inner city regeneration, which could be a model for the future - if the artists can find the money.

Artists have been in the business of renovating old warehouse and industrial properties as studios for a couple of decades, stimulating the market into炒ty development. London's Wapping and St Catherine's docks were the first to be "uplifted", with the prised-off artists relocating in Poplar and Limehouse. Studios are expensive to maintain (even though many artists take part-time jobs to pay the rent, or time-share studio space), so the ACME concept of studio-housing has proved popular.

The artists living and working within short-life housing have converted part of the houses into studio space, without affecting the residential

status of the properties. This is an important consideration, because local authorities wary of the effect of property speculation in warehouse conversions on local employment are reluctant to approve Class Three industrial use buildings into residential and office use in small-scale developments.

Beck Road is still a very modest affair in terms of property values or residential desirability. Starting with a grant of £750 from ACME for essential repairs (the near derelict houses had outside toilets, no bathrooms and only partial wiring), the first group set about making the miserable hovels habitable in the 1970s. It took Mikey Cuddihy nine months to fix her house by herself, with a little help from the pooled skills of other artists. It has no central heating and is cold and very damp; repairs have only been cosmetic.

ILEA agreed to the scheme initially, the belief was "because artists are practical people."

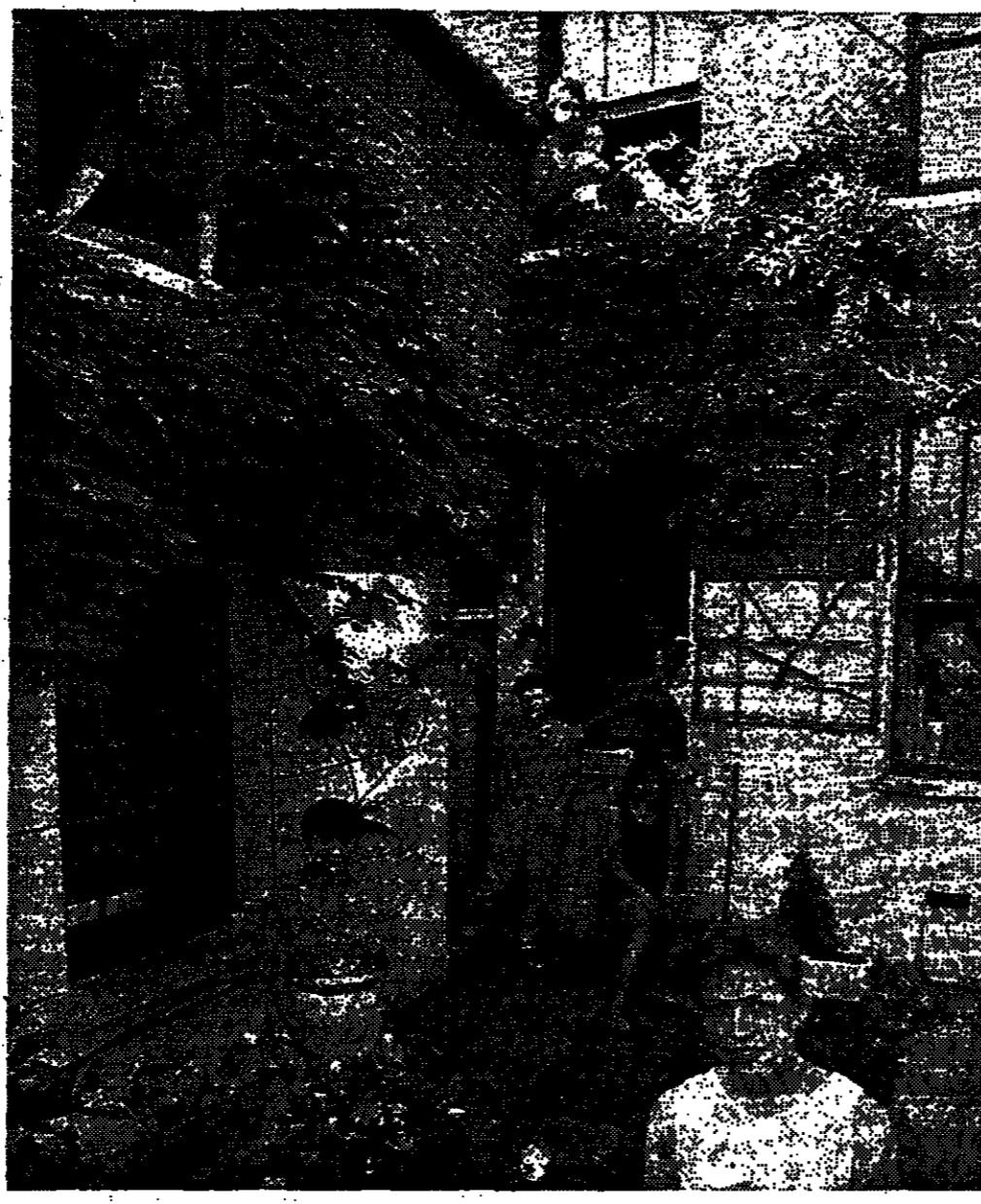
Five years ago, when it became obvious that the houses had

been consolidated through persistent self-help, the landlords repaired the roofs of some of the worst properties and put in damp-courses.

The backs of some houses

look on to a partially-used car park, intended to service a complex of light industrial workshops built two years ago with a central government grant by Hackney council. The workshops have remained empty. The converted studios of Beck Road, however, are active with artists involved in painting, photography, design and illustration, and making pots and films. Most residents support themselves by part-time jobs such as teaching, house repairs and decoration, making frames or working in art galleries.

The claim of the Arts Council that the arts community generates jobs becomes more evident when looking at the Beck Road community. And it is very much a community: supportive, well integrated with the other local residents, and willing to fight battles to ensure its continuity. "Because we have a vision of what we would like to be," says artist teacher Sandra Porter, "we manage to have a better cul-



Alison Turnbull (front) with fellow members of the Beck Road community

tural standard of living than many people on a higher income." Nevertheless, the "higher cultural standard" is only maintained by a heroic acceptance of below-minimum-standard living conditions, hard work and isolation.

For some artists there is not much hope of recognition in the fiercely competitive art world; others in Beck Road have already achieved national standing. Debbie Duffin has just published a booklet through ACME, *Organising Your Own Exhibition: A Guide for Artists*. Mikey Cuddihy has

been exhibited at major venues in Britain and abroad. Helen Chadwick was short-listed for last year's Turner Prize, and her slide-projector work *Three Houses: A Modern Moral Subject*, commissioned by the Arts Council for the Hayward Gallery Art History exhibition in 1987, was concerned with the imminent collapse of the Beck Road community. And it is

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generated such momentum that she is poised for change or expansion, and is toying with the notion of a "New Museum." "It's not all about a heavy budget. What is needed is a certain visionary zeal."

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• Enquiries to: Jonathan Harvey/David Panton, Acme Housing Association, 15 Robinson Road, London E2 9LX.

Deanna Petherbridge

Maureen O. Paley has put

the arts on the international artistic map with her gallery interim Arts, in splendid white and grey austerity at No. 21. A dynamic, articulate and forceful American, who studied photography at the Royal College, she moved into Beck Road in 1978. Her first house exhibition in 1981 included the work of other artists in the street. Since then she has put on some notable shows, including the work of sculptor Richard Deacon (who began his career by working for ACME). She has also curated successful exhibitions at London's Riverside Studio, Manchester's Cornerhouse, and New York.

It is rumoured that she was a front-runner for the director

FINANCIAL TIMES

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Mr Bush's big gamble

IT IS QUITE remarkable how in this presidential election year the Democrats are behaving like Republicans, and vice versa. This has a lot to do with expectations of winning, which the Democrats now think they can with Mr Michael Dukakis as their candidate, and which the Republicans fear they will not without Ronald Reagan as theirs.

Thus, out of Atlanta a month ago marched a Democratic army undivided almost to the point of blandness, at least by its own eccentric standards. It possessed a centrist standard bearer, a number two of sober mien chosen mostly for tactical electoral reasons and a party platform so short and uncontroversial that it would not even have warranted a foot-note in the previous declarations of principle framed by its once-dominant liberal wing.

For Republicans, the turn out of New Orleans is very different. For whatever George Bush, the certain nominee, may personally stand for, the party's band leader is its ideological right wing. As was to be expected, it paid the fondest of farewells to its hero, President Reagan; more surprisingly from a tactical standpoint, it has drawn up a lengthy party platform containing almost all the controversial social causes dear to the right which have not been implemented in the Reagan years; and, finally, it has induced Mr Bush himself to choose a political product of the Reagan revolution, Senator Dan Quayle of Indiana, as a running mate.

Discernible reasons

It is easy to discern both the principal and subsidiary reasons behind the selection of Mr Quayle. If the Republican right wing, with its formidable money-raising and organisational talents, is turned off by Mr Bush alone, it may be reassured by Mr Quayle's presence. As, once again, the minority party in the nation at large, Republicans generally benefit from a low voter turn out, but there is an irreducible minimum level of support which must be maintained and which needs the right wing. By the same token, the Democrats cannot afford to have their discontented progressives staying home en masse, which is why a kind of peace has been agreed with the Reverend Jesse Jackson.

The inevitable geographical imperative also applies. The Midwest is going to be decisive

and Mr Quayle is a proven local vote getter, having knocked off a notable liberal Senator Birch Bayh, eight years ago. His youth and good looks might help close Mr Bush's large gender gap with women, though his opposition to abortion will not help him in the party platform if it is promoted seriously. Perhaps most, he will attract more yuppie supporters than his much older Democratic opposite number, Senator Lloyd Bentsen, though the fact that he, like Mr Bush, is the son of a wealthy family may dampen this appeal to younger self-made Americans as well as to those less well-off.

Thin record

It is possible that Mr Bush has come up with a clever choice, it is a gamble and one wide open to counter-attack. Mr Quayle's public record is very thin, much more so than those of just about all the others under consideration, and it is impossible to say with any confidence that he is qualified to be the proverbial heartbeat away from the presidency. Let alone to sharpen the blurred image Mr Bush himself conveys to the public at large. In these respects, Mr Bentsen seems a better complement to Mr Dukakis. Texas, after all, is bigger than Indiana, which the Republicans normally carry anyway.

But the main message from the two conventions is about the shape of the coming campaign. The Republican theme, from a party which used to be pragmatic, is that the Reagan revolution lives and must be continued under George Bush, unlikely exponent of the cause though he may be, on the other side, the Democrats, who once valued consistency above all else, are saying that the revolution is over and that its legacies, not all of which are necessarily bad, now need better management. Into this context must be fitted, critically, the characters of the two presidential candidates.

The battle will still be for the middle ground. The question for the American electorate is whether Mr Reagan has shifted it as far to the right as Mrs Thatcher has in Britain and as it seemed he had in the US in 1984. If so, then Mr Bush, benefiting from continued strength in the economy, a more peaceful world and the President's endorsements ringing in his ears, might win. If not, and if the public concludes that Mr Reagan and his revolution are one and indivisible, then the door is open for Mr Dukakis.

Training: the next priority

the Training Commission of Mr Brian Wolfson, whose wide international business background is matched by a determination to make employers and employees take training more seriously.

Both would do well to read The Learning Society, the policy paper issued this week by the Social and Liberal Democrats. It points out that with the decline in the number of young people entering the labour market in the next few years, youth wages will rise and more people aged 16-17 will be promoted from education and training into employment. This will benefit youngsters in the short term, but it could damage their long-term employment prospects by denying them vital early training.

The evidence of the Youth Training Scheme is that once trainees leave the scheme for jobs their training ends. A statutory obligation on employers to continue youth training could play a useful role in ensuring that the tightening of the labour market does not lead to a further deterioration in skills formation.

The paper also suggests establishing local training forums for employers akin to the successful American private industry councils, training entitlements for adult employees and an examination of fiscal incentives to promote training.

All would need careful consideration before becoming government policy. Statutory action to improve training does not have to mean new tax breaks or penalties. It can take other forms. But the Government's policies in the early 1980s, including its trade union legislation, played an important role in encouraging the introduction of more flexible working practices. The Government will need to give a similar lead for the next stage of modernising the British labour market, through a determined programme to improve training.

The determination that employers have shown in ripening up unmoded labour practices will have to be redirected in the next few years, towards the goal of creating a skilled workforce.

The White Paper on employers' training to be published this autumn by Mr Norman Fowler, the Employment Secretary, is a welcome development. So too is the appointment to the chairmanship of

General Zia ul-Haq, ruler of Pakistan for the past 11 years, throws an internationally sensitive buffer state on the borders of the Soviet bloc into a degree of political uncertainty and potential turmoil which has not been seen for more than a decade.

Since 1977, President Zia has dominated the politics of Pakistan. First as military ruler and then as president, he gradually brought to one of the world's poorest countries a degree of political stability that astounded even his critics and opponents.

His removal from the political scene comes at an extremely sensitive time, both for Pakistan's domestic politics and for the situation in Afghanistan, where Soviet troops are now half-way through withdrawing. He leaves a vacuum which it will be difficult to fill. There is no one in Pakistan of sufficient political stature, experience and profile to follow him and to lead him sometimes politically volatile and under-developed country.

So he will leave a void. Within Pakistan, opposition groups will want to take advantage of the opportunity to cause unrest. This could well lead, however, to a fresh coup by other generals.

On Afghanistan, the complex balance of power has been dramatically changed. President Zia was among those most opposed to the continued rule in Kabul of the Najibullah government. He was the most important supporter of the Mujahedin guerrilla forces; his death removes the Mujahedin's leading champion and the US's most reliable ally against Soviet aggression. Pakistan has traditionally provided the arms routes to the Mujahedin. It has come under strong attack from the Soviet Union — most recently in the past few days — for allegedly continuing to do so following the recent Geneva accord on Soviet troop withdrawals.

Others in Pakistan believe that support should be withdrawn from the Mujahedin to give the fighting in Afghanistan a better chance of stopping — and enable some 3m refugees in Pakistan to return home. Such views will now be more likely to prevail.

As a relatively new Muslim country, created when the Indian sub-continent was freed from British rule in 1947, Pakistan has not yet developed a self-confident national identity nor formed a stable democratic political base. Its army took over early in the young nation's life. President Zia's decision three months ago to oust the elected government of Mr Mohammed Khan Junejo,



John Elliott examines the prospects for Pakistan after the death of its President

After Zia, the threat of turmoil

the Prime Minister, confirmed that the army had decided to stay in control behind the scenes.

If he had lived, President Zia would have faced a major challenge this November in elections which he had called to replace the Junajo government. Ms Benazir Bhutto, daughter of President Zulfikar Ali Bhutto, whom President

Zia ousted from power and then hanged in the late 1970s, was spearheading an opposition challenge which could have posed problems to him, despite serious divisions among opposition leaders. It would have been impossible for Ms Bhutto and President Zia to rule together as Prime Minister and President, so a clash was in prospect if she had won...

An opposition divided and mistrustful

General Zia's death finds the opposition to his rule stronger than it had been at any time since he took power 11 years ago. That does not necessarily mean, however, that the opposition forces are well placed to take advantage of the power vacuum caused by his death.

In recent months, Gen Zia's long-time supporters, the right-wing religious party Jamaat Islami, had deserted him for his main enemy, the Pakistan People's Party (PPP). The Supreme Court had lifted the ban on political parties. And an unpopu-

lar budget had traders on strike and the business community hammering at the President's door.

The opposition groups, however, trust each other no more than they trust Gen Zia. Their ability to mobilise popular unrest is limited. People have been fired on once too often and their most recent experience of democracy under former Prime Minister Zulfikar Ali Bhutto ended in severe disappointment. Today they are much richer and freer than they were 10

years ago. After Gen Zia's death is announced, she told reporters: "Life and death is in God's hands and we have to accept it."

"We in the PPP and in the opposition are prepared for whatever we can do to ensure that this process remains stable and constitutional as much as possible."

The army was put on alert in Karachi, Pakistan's biggest city and prone to rioting. But there were no immediate reports of disturbances.

A flying leap

Was Horacio Domingorena pushed or did he go of his own accord? Like much of the confusion surrounding the deal between SAS and Aerolineas Argentinas, the state-owned airline, it depends on whom you listen to.

Perhaps the only certainty in the affair is that, last week, Domingorena was president of Aerolineas and that today he is not.

Domingorena says he presented his resignation to Argentina's president Raul Alfonsin yesterday. According to Rodolfo Terragno, Minister of Public Works, however, Domingorena was sacked last Friday after sounding off about the terms of the deal.

Domingorena and Terragno, the minister responsible for privatisation, have not exactly seen eye to eye on the matter.

Domingorena, a former Education Minister in the last democratic government and a close friend of president Alfonsin, is no enemy of privatisation.

But he had serious doubts about the SAS deal which he dismissed as a cheap sell-off.

Terragno has his own reasons for pushing the deal through. Aerolineas is not just the national flag-carrier; it also carries the flag for President Alfonsin's privatisation programme.

All would need careful consideration before becoming government policy. Statutory action to improve training does not have to mean new tax breaks or penalties. It can take other forms. But the Government's policies in the early 1980s, including its trade union legislation, played an important role in encouraging the introduction of more flexible working practices. The Government will need to give a similar lead for the next stage of modernising the British labour market, through a determined programme to improve training.

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OBSERVER

aged the suggestion that a date was imminent for the finalisation of the deal.

The deal, which still has to go through Congress, is full of little mystery. Why were the Scandinavian embassies in Buenos Aires totally excluded from all stages of the talks? Why does the Argentine government think that Copenhagen is a suitable hub airport for Argentines, most of whom head for Italy or Spain?

Finally, why has Domingorena, at the advanced age of 70, chosen to resign rather than stay on in a reasonably comfortable sinecure? According to some who have no particular reason to like him, there is a solution to that conundrum. He may just be one of those people in Argentine politics who occasionally puts principle before party or profit.

Sugar looks east

Alan Sugar, Amstrad's enterprising boss, has been telling anyone who will listen that he is determined to turn the UK electronics group into a truly international concern.

Sugar now appears to be

hanging his personnel policy to that goal by importing into the UK as his special assistant Callen So, one of the team which made Amstrad's Hong Kong office a linchpin of its operations.

She was one of Amstrad's first employees in the Far East when she joined the Hong Kong operation in 1971 as a 19-year-old secretary. Lack of qualifications has never been a block to advancement in Sugar's empire. He left school at 16 and began selling aerosols from the back of a van two years later.

Callen So has been

Amstrad's sales and marketing



director in the Far East, where the company sources all its products. She has been responsible recently for some of Amstrad's tentative moves to open up sub-contract business in China.

The company is being a little coy about what she will be doing in its Brentwood headquarters, but there is talk of her working on long-term projects designed to integrate Amstrad's overseas sales subsidiaries.

So will be joining a small group of Japanese who work under Sugar's wing. This seems appropriate since Sugar is a great admirer of the Far Eastern work ethic.

Epic tales

Lovers of great literature need not worry. The works of Leonid Brezhnev and Konstantin Chernenko are not, after all, coming off the bookshelves. Officials at the Soviet Ministry of Culture yesterday denied a letter in the govern-

Law abiding

Extract from a hotel leaflet in a Bangkok hotel with a list of do's and don'ts for guests.

"Please do not associate with solicitors around the hotel."

Over the years, President Zia proved himself increasingly to be a master strategist at domestic politics and international diplomacy. He defeated and defeated his opponents, whether they were members of the natural political opposition, ambitious generals, or even politicians in foreign countries, like the US, who objected to the continued support the US was giving to the Zia regime following the Russian occupation of Afghanistan in 1979.

Economically little permanent solid progress was made during his 11 years in power. There was a growing superficial prosperity based on foreign aid, the earnings of Pakistanis working in the Middle East and the illicit profits of a rampant drugs and gun trade, plus widespread and growing corruption.

Social unrest increased, especially in the rebellious southern province of Sind and in Karachi, Sind's provincial capital and the country's main commercial centre.

"Zia's is a benevolent regime. It shows teeth but doesn't use them," one leading industrialist said recently, reflecting the general view that the President was far from harsh after his early years in power.

"But the result is a weak corrupt government. On paper the economy is over-regulated, but in practice you get round everything and live at standards well above what the country can afford."

"The government does not have the will or self-discipline to start an austerity drive which is needed. The problem is that Pakistan's governments believe the evil day will never come that they will be constantly protected and saved by lucky harvests, remittances and foreign aid."

That sums up the legacy of the Zia years — relative political stability, but prosperity based on an ephemeral economy. There are harsh problems ahead, especially because the future of generous US aid, amounting to \$4.65bn over the coming five years, might be put at risk by the Soviet withdrawal from Afghanistan.

It cannot be said that President Zia was a bad leader for his country. But, like all military rulers, he did not know how to design his own exit and pave the way for successors. He would almost certainly have liked to have retired gracefully to play golf on courses in northern Pakistan.

Yesterday that exit was cruelly achieved and a poor country, at the fulcrum of international tensions on the borders of the Middle East and South Asia was pushed back to the brink of a new era of uncertainty and unrest.

BOOK REVIEW

Tolling the bell for the party

THE GORBACHEV PHENOMENON: A Historical Interpretation

By Moshe Lewin
University of California Press, £16.95
1988 (1985)

The political impact of mass education, Lewin suggests, has yet to be fully understood: its contribution to rising expectations; to an increasingly critical attitude towards, and growing disillusionment with, those in power; to growing cynicism about official sources of information, including the mass media; and to the growth of informal structures and information networks.

The fact that attempts in the 1980s to de-Stalinise and reform were frustrated is less significant, than the fact that there was no re-Stalinisation. The Brezhnev years, although now referred to in Moscow as the "period of stagnation," saw society in general undergoing the prelude to a revolution, with the gradual evolution of public opinion?

To speak, as Lewin does, of "a public clamour for a say in decisions that affect the nation's course" and of a "public demand for the autonomy of local institutions and personal opinions" would seem an overstatement; but in identifying the need for a new relationship between people, party and state, reflecting the profound changes in Soviet society, he is on firmer ground.

Where does this leave Gorbachev and his plans for economic reform and the democratisation of the party? Lewin is cautiously optimistic: "If Gorbachev perseveres for two or three more years and continues to implement the changes he wants," he predicts, "the bells will have tolled for the old party."

Perhaps . . . but the pressures from the grass roots do not all take the direction Lewin suggests. There are many who yearn for the restrictions and certainties of the past. Gorbachev has been most discreet in specifying what he means by "democratisation" and the political liberalisations Lewin envisages — "an influential role for public opinion, a lively press and uninhibited electronic media, open debate in the party," with a shift of power to the soviet and occasional use of referendums — sound a rather feeble death-knell.

Gorbachev, indeed, may seek no more than to broaden endorsement of, and hence to reinforce, the party and its leadership. But where Lewin is surely right is in his insistence that the days of revolution imposed from the top are past, and that the nature of the Soviet Union will continue to be determined less by individuals than by the people.

Margaret van Hatten

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FINANCIAL TIMES

Thursday August 18 1988

Republicans stunned by choice of Quayle

By Stewart Fleming and Lionel Barber in New Orleans

THE DECISION of Mr George Bush, US Vice-President and the certain Republican candidate in November's presidential election, to select the unknown Senator Dan Quayle of Indiana as his running-mate has stunned Republicans and fuelled apprehension about the party's electoral prospects.

Vice-President Bush defended his choice of Senator Quayle yesterday saying "He is a rising star of the Republican Party (who) will help our cause in every part of the country." Mr Quayle, standing alongside the Vice-President in the Mardi Gras Ballroom of a New Orleans hotel, said he was excited to be running, adding that Mr Bush and the Republican ticket stood for "hope and opportunity for the future."

But he showed signs of defensiveness when questioned about his decision to join the National Guard in 1968 rather than fight in the Vietnam War.

Mr Bush faces the challenge of convincing a sceptical audience awaiting his keynote

address in New Orleans tonight that he has made the right choice and knows where he is leading the Republican Party.

Mr Bush's dilemma was that several potential running mates dropped out, while others — such as Senator Robert Dole of Kansas and Congressman Jack Kemp — were seen as either too abrasive, too risky or incomptable.

Mr Bush seemed self-assured as he responded to reporters' questions passionately rebutting a question about his description on Tuesday of his three half-Hispanic grandchildren as "those little brown ones" saying "these grandchildren are my pride and joy... this heart knows nothing but pride and love for these children."

Senator Quayle denied that he had \$200m in personal assets as Mr Bush stepped forward to challenge the Democratic opponents to disclose 10 full years of tax returns as he and Mr Quayle intend to do.



Senator Quayle: 'Unknown'

Officials from the Bush campaign said yesterday that they had rejected experienced leaders such as Senator Dole in favour of a conservative who would appeal to young voters and respond to the electorate's desire for change.

"Dan Quayle gives us a bridge to the future" said Mr James Baker, the outgoing US Treasury Secretary who officially takes over today as Mr Bush's campaign manager.

Mr Bush's main campaign theme is that he can give voters a continuation of the peace and prosperity they have enjoyed during President Reagan's eight years in the White House, but polls show that this year voters also want cautious

change.

But the choice of young, untested, well-heeled midwesterner has drawn mixed reviews from political analysts and delegates. "It's the millionaire's ticket" said one delegate, noting that 41-year-old Senator Quayle's stake in an old-established family publishing fortune is worth tens of millions of dollars. "That makes James Danforth Quayle just as privileged as George Herbert Walker Bush," quipped one political analyst.

There is also unease that once again Mr Bush picked as

a political ally a man who is personally compatible but who has a limited record of accomplishments to show for his 12 years in the House and Senate.

But Republican loyalists attempted to counter, saying that Senator Quayle was quick-witted and telegenic. Governor Tom Kean of New Jersey, said that Senator Quayle's sharp intelligence and knowledge of the Farm Belt would help Mr Bush in states such as Ohio, Illinois and Michigan.

The Democrat's choice of Senator Lloyd Bentsen of Texas was aimed at strengthening the ticket in the West, reassuring the business community and balancing a conservative with Governor Dukakis, a Massachusetts liberal.

Senator Quayle's anti-abortion views and his advocacy of a strong national defence will add to Mr Bush's conservative support. But he is not seen as a man who will be a big asset in any political region.

Dollar rises in spite of central bank moves

By Ralph Atkisson, Economics Staff, in London

THE DOLLAR jumped sharply on foreign exchanges yesterday, shrugging off both central bank intervention and Tuesday's US trade figures.

Dollar selling by the West German Bundesbank and US Federal Reserve failed to stop the US currency rising more than four pennies against the D-Mark in London. Against sterling it ended nearly three cents higher.

In his closing speech to the recent party conference in Moscow, Mr Gorbachev himself spoke of achieving a "humane and democratic image of socialism", a remarkable paraphrasing of the Prague Spring's famous slogan of "Socialism with a human face".

In Prague, however, there is little hope that Mr Milos Jakes, who replaced Dr Husek last December, will venture beyond attempts to streamline the already faltering economy. It will take a future, younger, generation of Poles to bring about meaningful reforms in Czechoslovakia.

Meanwhile Mr Gorbachev is far more anxious to see the rot halted in the Czechoslovak economy and Comecon reformed. He is fully aware that the danger of genuine political reform in Prague is that it might end in a parliamentary democracy which Czechoslovakia had until 1988. But this would imply a far more distant and less dependent relationship with the Soviet Union than at present.

Mr Dubcek was replaced as First Secretary of the party in April 1989 by Dr Gustav Husak, the Slovak leader. The re-education of the orthodox Stalinist system proceeded apace. Nearly 500,000 party members were expelled. Only the militarily most reliable officials were entrusted with running the nation's factories, offices and institutes.

Not until orders came from Prague did the young Czechs abandon their vigil. It was the beginning of a long process of disillusionment, ending in the final bloodshed.

Subsequently, Mr Dubcek had several outspoken talks with the Western media in which he noted that his reforms of 1988 had come full circle and were now embraced by Mr Gorbachev. In a recent interview with Austrian television, he called for Mr Gorbachev's reforms to be applied in Czechoslovakia but pointed out that the illegal invasion of 1968 still "weights heavily" on the Prague leadership.

"I think what is happening in the Soviet Union is well suited for our conditions," he said. "Unfortunately, it comes after 20 years. Twenty years have been lost."

The Czechoslovak leadership responded last week with a vicious attack on him in the party newspaper, Rude Pravo. It accused him of joining forces with "right-wing opportunists" in 1988 and of being a "lucky of reactionary circles today."

The leadership, which could



Czech students display a bloodstained national flag to Soviet troops in Prague during the invasion 20 years ago

and the red, white and blue Czechoslovak flag, guarded the entrance of the building. No one could enter without their permission and Soviet troops had orders to avoid needless bloodshed.

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have ignored his remarks, was to do battle with the retired Mr Dubcek. The result was that Rude Pravo was bought by a good many current Czechoslovakia who are not normally its readers.

But most citizens did not seem to care either way. They plunged into the enjoyment of their summer holidays and did not wish to be reminded of 1968. Yet Czechoslovakia are fully aware of the paradox that the reforms of 1988 have been resurrected — in one form or another — in Hungary and, more significantly, the Soviet Union.

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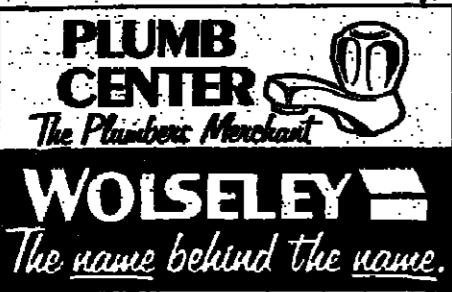
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INSIDE

La Générale shakes up the boardroom

After the dust settled in the protracted battle for Société Générale de Belgique, the warring factions have decided to shake up the antiquated management of Belgium's leading holding company, making it more answerable to investors. But for the company's big new shareholders, this is only the first step towards ensuring an adequate return on their costly investment. Tim Dickson reports from Brussels. Page 21

Peru hopes to fleece vicuna black market

Vicuna, the slender, delicate Andean camels that produce some of the finest wool on earth, are at the centre of a long-running battle between conservationists and entrepreneurs in Peru who attempt to reverse decades of poaching and black marketeering are finally showing results. But as the vicuna recover in numbers, their fate will be decided ultimately by market forces and international fashion trends. Barbara Durr in Lima reports. Page 22

Tokyo reviews its options

One of Tokyo's fastest growing markets, that for foreign exchange options, is in turmoil. After growing ten-fold since last summer, the market slumped by more than 80 per cent in July. Corporate investors - mainly Japanese industrial groups - are urgently reviewing their trading procedures, and the Ministry of Finance is considering introducing formal rules to this hitherto lightly-regulated area. Page 22

Bristol Water makes a splash

Water, water everywhere and now the chance to sell it. Bristol homeowners are being bombarded by a media campaign offering shares in their local water company, Bristol Waterworks. This is the latest step in the glamorisation of water companies ahead of the government's privatisation programme. Andrew Hill examines the tough marketing tactics of two small regional advertising agencies in their bid to make a big splash. Page 23

Iberia spreads its wings

Against the tail of the proposed SAS deal with Aerolineas Argentinas, the Spanish national carrier Iberia has accepted an offer to take a 49 per cent stake in the Uruguayan state airline, Pluna. Unless Iberia spreads its wings wider, its traditionally profitable Latin American market may be under siege. Page 21

BASF finds right formula

BASF has confirmed the buoyant earnings trend in the West German chemicals industry with a rise in pre-tax profits of 18.2 per cent to DM1.71bn (\$913m) in the first half of the year. The group registered a 14 per cent jump in exports, while the domestic market managed a 6 per cent advance. Page 20

Market Statistics

	1986	1987	1988
Base lending rates	2.7	2.0	2.5
European options cash	2.8	2.8	2.8
FT-A indices	2.8	2.8	2.8
FT-A world indices	2.8	2.8	2.8
FT int bond service	2.2	2.2	2.2
Financial futures	2.7	2.7	2.7
Foreign exchange	2.7	2.7	2.7
Global bond issues	2.8	2.8	2.8

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First Oil	23	Usher Frank	21
Gnome Photographic	24	VIAG	21
Hewlett-Packard	20	Varo	24
ISS	21	WH Smith	23
Iberia	21	Ward	24

Chief price changes yesterday

FRANKFURT (Dm)	PARIS (Fr)
Flanes	1000
Alcatel	1322 + 22
Adesco	268 + 18
Alitalia	488 + 27
Amico	204 + 65
Monex	520 + 15
Siemens	434 + 84
NEW YORK (US \$)	TOKYO (Yen)
Flanes	1000
Alcatel	445 + 5
Adesco	107 + 25
Alitalia	204 + 32
Amico	204 + 32
Monex	520 + 15
Siemens	434 + 84
LONDON (Pounds)	
Flanes	Morgan GMBH 313 + 9
Alcatel	Stard. Chats. 507 + 15
Adesco	Stevens 177 + 7
Alitalia	Warburg (SG) 313 + 5
Amico	Yale & Voter 446 + 10
Monex	
Siemens	

FINANCIAL TIMES
COMPANIES & MARKETS

Thursday August 18 1988

Showing the way
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INTERNATIONAL

EC forces changes in Irish bid battle

By William Dawkins in Brussels and Lisa Wood

THE EUROPEAN Commission yesterday forced the break-up of the three-company British consortium mounting a hostile £120m (£168m) takeover bid for Irish Distillers (IDC), the first time Brussels has intervened before the completion of a take-over.

However, the Commission is allowing the three companies - Grand Metropolitan, Allied-Lyons and Guinness - the freedom to mount independent bids, although only GrandMet should be free to bid for another 12 months.

The EC, in order to allow full competition, has released FII Fyffes, the Dublin fruit and vegetable merchant, from its commitment to sell its 20.4 per cent stake in IDC to GC&C Brands. This could well open the way for Pernod-Ricard, the French drinks company and a supplier of Irish Distillers, to make an offer for that stake.

Brussels' action yesterday saw the outcome as a fillip for the Commission's efforts to launch an EC-wide merger control policy, now being blocked solely by the UK.

Mr Peter Sutherland, commissioner for competition policy, said: "The Commission's intervention . . . shows that it can and will act quickly and effectively to ensure that collusive practices restricting competition do not take place."

The vehicle for a bid by GrandMet would be GC&C Brands, which was set up by the three

companies to launch the original bid. The EC has agreed to a proposal that Allied-Lyons and Guinness sell their stake in GC&C Brands to GrandMet, which could continue with the original offer.

Today's full meeting of the Take-over Panel will consider whether this deal is consistent with its rule-book. IDC will argue that because GrandMet was part of a consortium bid which was discontinued, under the take-over rules GrandMet should not be allowed to proceed immediately with a bid.

The Brussels authorities yesterday saw the outcome as a fillip for the Commission's efforts to launch an EC-wide merger control policy, now being blocked solely by the UK.

Under the terms of the accord, should GC&C Brands acquire IDC at a potentially artificial price. Furthermore, it announced plans to carve up the Irish group's brands, which include Bushmills and Jamieson's whiskies.

Yesterday's compromise follows a week of three-way negotiations between the consortium, the Commission and the Take-over Panel.

Normally, Brussels can only take action after an anti-competitive takeover has occurred, though it does have the right to clear state subsidies in advance if they form part of a takeover's terms, as in the recent decision to scale down UK Government debt write-offs for Rover.

It could act this time before acquisition because the formation of the consortium, with its plans to carve up the drinks market, was in itself considered enough to distort free competition.

Last week, the Panel gave the consortium a further seven days to resolve the issue before the deadline for increasing its offer - which is tomorrow.

The timetable for the current £135p per share for IDC may have to be reconsidered as the EC's accord gives Allied-Lyons and Guinness a minimum of 28 days to come back with their own bids if they wish.

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Belgian insurer buys into Sun Life

By NICK BUNKER in London

SHARES in Sun Life Assurance Society, one of the UK's handful of stock market-listed pure life insurers, soared 42p to close at £255p in very late trading in London last night when it emerged that Groupe AG, the Belgian insurer, has a 5.5 per cent stake in the company.

The buyer is Carnival Cruise Lines of Miami, which already claims to be the world's largest cruise business with 550,000 passenger-carrying last year.

Included in the deal is the world's largest cruise ship, Sovereign of the Seas, which can carry 2,600 passengers and has gross registered tonnage (GRT) of 74,000.

Groupe AG's main cruise assets are a one-third stake in Royal Caribbean Cruise Lines, which operates five ships, and a 51 per cent stake in Admiral Cruise Lines which operates three ships with a fourth on order.

However, Admiral and RCCL, whose other shareholders include prominent Norwegian shipping families and private companies, are due to be merged later this year in a deal that requires ratification by the Norwegian Government. Carnival Cruise Lines will take over Groupe AG's 36.1 per cent stake in the new company, Royal Admiral Cruises.

Mr Peter Grant, Sun Life's chairman, was unavailable for immediate comment.

Mr Grant has been looking for European insurance partners as 1992 draws closer, and has admitted to having held talks about possible joint ventures with both UAP of France and the Toro insurance group in Italy.

However, Groupe AG has not been mentioned before in this connection and officials at Sun Life could not comment last night on whether or not AG's stake-building was related to Mr Grant's plans to develop continental ties.

Mr Alan Curtis, life assurance analyst with brokers Barclays de Zoete Wedd, said: "My gut reaction at this stage is that it would appear to be purely an investment, maybe ahead of a working relationship."

AG is Belgium's biggest insurer with close ties to Société Générale, the giant Belgian industrial combine. The French investment bank Compagnie Financière de Suez - another major shareholder in La Générale - has 10 per cent of AG.

AG has indicated in the past that it would seek an insurance partner to allow it to develop more effectively post-1992. Any moves to take over Sun Life would be complicated however by the fact that 26 per cent of the British company is owned by Transatlantic Holdings, an investment vehicle for Mr Donald Gordon, the South African life insurer.

Mr Grant last year blocked a campaign by Mr Gordon for board representation, after claiming that he was trying to gain control of the group.

Talks between Sun Life and Transatlantic have been under way in the last 12 months in an effort to resolve their differences. On August 9, however, Mr Gordon said that an acceptable compromise was proving difficult to achieve because of what he called "fundamental differences."

Gotaas-Larsen sells cruise line side for \$260m

By Roderick Oram in New York and Karen Fossli in Oslo

The deal is the second major shake-up in the cruise industry within a month. At the end of July, Britain's Peninsular and Oriental Steam Navigation (P & O) bought Sitmar Cruises of the US for \$210m, which at the time allowed it to claim the title of the world's leading operator.

Yesterday's announcement came as a surprise to the two Norwegian partners in Royal Admiral, the Norwegian shipping companies I.M. Skagen and Anders Wilhelmse. They said that although they knew Gotaas-Larsen was seeking a buyer for its stake, they had no idea that negotiations between it and Carnival had reached such an advanced stage.

The deal with Carnival would make Royal Admiral Cruises the world's largest cruise line with a total of 15 ships, of which seven would be brought in by Carnival. Carnival operates its ships on three, four and seven-day cruises in the Caribbean, Bahamas and along the Mexican coast.

It is also building a large hotel alongside its Bahamas casino. Carnival, listed on the American Stock Exchange, has grown at an annual rate of some 20 per cent for the past five years.

Bertelsmann pays £60m for Smith books stake

By Vanessa Houlder in London

W H SMITH, the UK retail and distribution group, has sold its 50 per cent stake in Book Club Associates, the UK's largest book club, to its joint owner Bertelsmann, the West German publishing group, for £60m (\$102m).

The deal is a revised version of one announced a year ago, but which was blocked by the UK Monopolies and Mergers Commission in January.

This time Bertelsmann has undertaken to sell the stake on to a new buyer in an effort to clear the deal with the British competition authorities. Bertelsmann is thus acting as a middle-man in order to secure a compatible partner. The company said yesterday that it was in talks with potential buyers.

The sale was announced at the same time as W H Smith announced a 10.5 per cent rise in pre-tax profits to £70.6m for the year to May 23.

Under the original deal, Bertelsmann would have had joint control of both BCA and its existing subsidiary, Leisure Circle, the UK's second largest book club.

This arrangement, which would have given Bertelsmann and its partner Les Presses de la Cite, the French publishing group, a 70 per cent share of the UK market, was deemed to be contrary to the public interest.

The terms of the new deal offer W H Smith less than the £60m offered last August. However, Sir Simon Hornby, chairman of W H Smith, described the new price as excellent, given the changed stock market conditions. "It is still a very high multiple and we are still very happy," he said. "We do not see massive growth from book clubs and the capital will be better spent in developing our retail chains."

Bertelsmann has book clubs in 25 countries with a total membership of 22m. In the UK, Leisure Circle has a membership of about 350,000.

Lex, Page 18; W H Smith results, Page 23

RHM BULLETIN

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for an important message to all Ranks Hovis McDougall shareholders

Telephone - free of charge - on 0800-353200 to receive regularly updated bulletins on your Board's recommendations in relation to the takeover bid by Goodman Fielder Wattie Ltd.

The Directors of Ranks Hovis McDougall PLC are the persons responsible for the information contained in this advertisement. To the best of their knowledge

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the formation of

Corporate Partners, L.P.

and

Corporate Offshore Partners, L.P.

The Partnerships, with commitments of \$1,545,000,000 and additional coinvestment capital available, have been organized by the undersigned to invest in the equity of major publicly held corporations on a friendly basis.

LAZARD FRÈRES & Co.

August 16, 1988



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(Mitsubishi Kinzoku Kabushiki Kaisha)
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Issue Price 100 per cent.

Yamaichi International (Europe) Limited

Mitsubishi Finance International Limited

Morgan Grenfell Securities Limited

Mitsubishi Trust International Limited

Baring Brothers & Co., Limited

Dresdner Bank Aktiengesellschaft

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Merrill Lynch International & Co.

The Nikko Securities Co., (Europe) Ltd.

Nomura International Limited

SBCI Swiss Bank Corporation Investment banking

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Tokyo Securities Co. (Europe) Ltd.

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BNP Capital Markets Limited

Goldman Sachs International Corp.

Kleinwort Benson Limited

LTCB International Limited

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Nippon Kangyo Kakumaru (Europe) Limited

Norinchukin International Limited

J. Henry Schroder Wag & Co. Limited

Taiheiyo Europe Limited

S.G. Warburg Securities

Yamaichi International (Europe) Limited

The Nikko Securities Co., (Europe) Ltd. SBCI Swiss Bank Corporation Investment banking

Sumitomo Finance International

Banque Paribas Capital Markets Limited

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DG BANK Deutsche Genossenschaftsbank

Merrill Lynch International & Co.

Mitsui Trust International Limited

New Japan Securities Europe Limited

Salomon Brothers International Limited

Shearson Lehman Hutton International

Swiss Volksbank

Nomura International Limited

INTERNATIONAL COMPANIES AND FINANCE

Hewlett-Packard income surges ahead to \$192m

By Martin Stansbridge in New York

HEWLETT-PACKARD, the US computer and scientific instruments maker, yesterday reported a 30 per cent advance in third-quarter earnings to \$152m or 80 cents a share, from \$114m or 57 cents in the same period of 1987.

Revenues were 19 per cent ahead, at \$2.43bn against \$2.05bn.

Mr John Young, president and chief executive, said: "Looking ahead to the fourth quarter, the outlook is basically positive. We see continued strength internationally, considerable momentum created by our many recent product introductions, and improved product shipments."

The cost of goods sold as a percentage of net revenue increased to 40.6 per cent from 42.2 per cent and operating expenses rose by 15 per cent.

Orders for the quarter reached a record \$2.58bn against \$2.34bn. International orders rose 27 per cent to \$1.33bn but US orders

increased by only 1 per cent to \$2.32bn.

Mr Young said: "We are particularly pleased with the growth in international orders. Europe and the Asia Pacific region are generating high order levels. International orders so far this year make up 26 per cent of our business."

Revenue from US sales and service rose 12 per cent to \$1.18bn, while international revenue rose 25 per cent to \$1.25bn.

The group's nine-month earnings moved ahead to \$575m or \$2.83 a share, from \$426m or \$1.65 previously. Turnover rose to \$7.12bn from \$6.61bn.

Firm demand boosts Navistar

By Our New York Staff

STRONG DEMAND for medium and heavy trucks helped Navistar International, the leading US truck maker, to increase third-quarter net profits by 53 per cent to \$97m or 15 cents a share, against the \$31m or 9 cents earned in the comparable period last year.

Sales advanced by 23 per cent to \$976m, from \$791m.

The Chicago-based company expects North American demand for heavy duty trucks to rise to 150,000 for the rest of the financial year, up from the 139,000 recorded in 1987. It also projects that medium truck demand will increase by 9 per

cent to 195,000 units.

Mr James Cotting, chairman and chief executive, said operating margins were below those of the third quarter of 1987 because of continued production difficulties at new plant and foundry facilities and increased employee pension and medical benefits.

He added that the company absorbed substantial increases in commodity costs, particularly aluminium and steel, which had not been passed on to its customers in spite of high capacity utilisation throughout the industry.

During the third quarter,

truck shipments increased by 20 per cent as the company operated its plants at full capacity and reduced the normal vacation shutdown from three to two weeks.

Service parts sales rose 8 per cent and diesel engine shipments to other manufacturers increased by 4 per cent.

For the first nine months, net income totalled \$162m or 55 cents compared with a net loss of \$1.2m for the period last year of \$17.2m. Sales moved ahead by 17 per cent to \$3.95bn, from \$2.83bn.

Navistar's shares eased yesterday morning by 4% to 45 1/4%.

Toys 'R' Us posts strong gains after six months

By Our New York Staff

TOYS 'R' US, the world's largest toy retailer, yesterday reported a rise in second-quarter net earnings to \$23.1m or 18 cents a share, up from \$16.5m or 15 cents in the year-ago quarter. Sales were \$170.2m ahead of \$88.8m.

Mr Charles Lazarus, chairman and chief executive of the New Jersey-based group, said: "We are pleased with the increase in our sales and earnings. Our position as the dominant toy retailer offering the best value, selection and ser-

vice for the consumer is enabling us to expand our market share and increase our earnings."

Mr Norman Ricken, president and chief operating officer, said store expansion plans had progressed with two Toys 'R' Us stores in the US having opened this year.

Net earnings for the first half came to \$45.61m or 35 cents compared with \$31.17m or 24 cents previously. Sales passed the \$1bn mark, with \$1.33bn against \$900.5m.

BASF lifted by chemical sector buoyancy

By Helga Simonian
in Frankfurt

GROUP PRE-TAX profits at BASF, the West German chemicals conglomerate, rose by 18.8 per cent from DM1.44bn (6770m) to DM1.71bn in the first half of this year, confirming the current buoyant earnings trend in the West German chemicals industry.

Group sales increased by 6 per cent from DM30bn to DM31.6bn with the rise in turnover more marked at parent company level, where exports increased by 14 per cent to DM1.91bn and domestic sales climbed by 5 per cent to DM2.5bn.

BASF said: "There is no sign at present of any impairment to the good business conditions."

"Both the flow of new orders and the current order book are well above last year's levels, while the decline due to the holiday period is also less marked than last year."

BASF shares climbed DM6.30 to DM363.20 in Frankfurt yesterday, with sizeable increases in the share prices of Hoechst and Bayer.

Hoechst announced a 30 per cent increase in group pre-tax profits to DM1.94bn earlier this month, while Bayer has yet to report its half-year figures.

BASF said business in the second quarter had confirmed the positive trend, with steady sales prices contributing to its "blossoming" results.

"Capacity utilisation levels were already high and had risen further, it said. The consequent possibility of some delivery bottlenecks struck the only real jarring note in the report."

Profits and sales in chemicals, plastic, dyes and refining products were "positive," with plastic showing the highest growth rate.

The company is expecting a further boost in dyes and refining products in the second half of the year following its purchase of Polycolor's worldwide dispersion business.

The market for agricultural products, which has been difficult for most chemicals companies for some time, had "improved slightly."

This announcement appears as a matter of record only.

NEW ISSUE

17th August, 1988



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Issue Price 100 per cent.

INTERNATIONAL COMPANIES AND FINANCE

La Générale enters a modern age

Tim Dickson on a shake-up at the Belgian holding company

Plans unveiled this week for a shake-up in the antiquated management structure of Société Générale de Belgique provide the first clear evidence that shareholders who bought into the Belgian holding company during a bitter takeover battle are now seeking their money on it.

But the challenge of earning an adequate return from the new acquisition has only just begun for the French investment bank Compagnie Financière de Suez and its thitherto bitter rival, Mr Carlo De Benedetti, the Italian businessman.

The two sides publicly buried their differences and agreed to work together in June after a dramatic takeover battle in the first half of this year.

According to analysts in Brussels, the greatest financial pressure by far rests on Suez, which is thought to have paid a hefty price for the privilege of gaining control of the widely diversified 165-year-old group.

Mr De Benedetti, for his part, may have lost some of his pride during the fight but the terms on which he sold a major part of his stake to the French investment bank and its Belgian allies enabled him to emerge from the settlement claiming a profit on the deal.

He retains a little over 16 per cent in the Belgian company and will play an important role in its future plans as a vice-chairman and almost certainly as a member of a new strategy-setting committee.

Over the summer, Suez is reported to have been exercising its new influence at all levels of the company. But this week's publication of proposed alterations to the company's statutes, to be put to an agm in early September, are the first public indication of the changes.

Many of the revised articles simply bring the company up to date with changes in Belgian law, but the vital significance is the laying to rest of La Générale's long-standing system of management, comprising a governor and a group of directors nominated from within the company.

The key figures in future will be a new managing director, widely expected to be Mr Hervé de Carmoy, a former



Hervé de Carmoy: tipped to be managing director.



Etienne Davignon: tipped to be president.

Midland Bank director, and the president or chairman and other members of a new executive committee, responsible to the board.

Viscount Etienne Davignon, a former EEC commissioner, has been widely tipped for the position of president. The effect will be to make management more answerable to shareholders, while other changes hint at a more "hands on" management approach to the company's still sprawling portfolio.

Apart from these changes, La Générale and its new owners have revealed little about their strategy. Speculation is nevertheless keen as to how Suez will tackle the short and long-term financial problems it faces.

The short-term question is how to reorganise the assets of Sodocom, the company through which it controls 15m of the 42m shares of La Générale in issue and which is saddled with heavy financing charges on what one broker estimates as its BFr60bn (\$1.5bn) of debt.

Dividends from La Générale are clearly insufficient to cover this and with only BFr2bn-BFr3bn of its own equity, the feeling is that Suez will soon fulfil its commitment of June to put some shares back on to the market. Sodocom's other asset is a 10 per cent stake (worth about BFr5bn) in

seed under La Générale's wing but that buyers could be sought for the profitable divisions. The polyurethane and fine chemicals side of Gechem and the leisure equipment activities of FN are examples.

ACEC's huge debts and the political sensitivities in the Socialist heartland of Wallonia suggest that developments there are likely to be more contentious.

The main temptation for the new management, as many observers see it, will be to sell sound, well-managed companies which do not fit into its strategy or offer obvious synergies with Suez and its associates.

Among the quoted candidates talked about in the market are Pabefac, the paper and plastic processing group in which La Générale and the West German Feldmühle group each own about 25 per cent and which is currently capitalised at around BFr4bn; CFE, the civil engineering and public works company in which the French company Dumez last year took a 20 per cent stake and in which La Générale retains some 24 per cent.

Finoutremer, a holding company with stakes in finance, energy and car sales where La Générale holds around 40 per cent and where talks are thought to be taking place among leading shareholders on

ways to realise better its underlying value; the shipping company CMB (where La Générale has a 50 per cent stake worth BFr4.8bn); and CBR, the internationally diversified and increasingly successful cement company where La Générale has a 38 per cent stake worth a little under BFr10bn.

Rumours swirling around the last two - which have helped propel their share prices since the start of the year over 50 per cent higher in CBR's case and just under 70 per cent higher in CMB's - are most intriguing since they have been clearly identified as key strategic sectors in the past. Managements of both companies are believed to be contemplating a buyout as an alternative to a sell-off if it comes.

In the immediate aftermath of the struggle for La Générale, it was conventional wisdom that the new owners would probably seek buyers for the company's so-called lame ducks - notably Fabrique Nationale (FN), the armaments manufacturer in which it has a more than a 50 per cent stake, Gechem, the chemicals, explosives and polyurethane foams concern (around 50 per cent), and ACEC, the struggling engineering and electronics business which La Générale controls through Cedee.

A more popular theory is that the current restructuring of these companies will pro-

Viag confident over outlook

By Andrew Fisher in Frankfurt

VIAG, the West German energy, aluminium and chemicals group in which the Government recently "sold" its remaining 60 per cent stake, is on track for higher profits this year after a buoyant first half. Group turnover rose by 7 per cent to DM4.5bn (\$2.4bn) in the first six months and net profits were also higher, the company said in its interim report. Sharp turnover rises in the aluminium and chemical sectors more than offset a downturn in energy where business, espe-

cially in natural gas, was affected by the mild weather in the early months of 1988.

The Bonn-based company said it expected a continuation of the favourable business trend in the second half, with net income set to rise for both the parent company and the full group. In 1987, group net profits increased by 16 per cent to DM19.1m despite a near 3 per cent drop in sales to DM8.4bn.

In Viag's biggest division, aluminium, which accounts for just over half of total business,

Statoil profits plunge

By Karen Fossal in Oslo

STATOIL, Norway's troubled state oil company, saw pre-tax earnings almost halved in the first half of 1988 to Nkr2.8bn (\$40.9m) from Nkr5.4bn in the same period last year due to lower oil prices and a lower dollar exchange rate.

Operating revenues declined to Nkr2.1bn from Nkr2.4bn last year. Statoil's petrochemicals division by far outperformed other divisions to post a Nkr648m operating profit, up from Nkr240m.

Marketing and refining operations, however, suffered a sharp fall in profits to Nkr73m from Nkr287m last year because of low refining margins, especially in Denmark, and continued financial problems with the Mongstad refinery and terminal expansion project, which suffered severe cost overruns.

Last year's result in this division included gas sales which are now under the exploration and production division.

The exploration division experienced operating profits of Nkr2.9bn. Investment in the period was put at Nkr6.6bn of which Nkr2.2bn went towards Mongstad and the remainder for the development of offshore oil and gas fields and transportation systems.

A radical reorganisation this year of the company makes it impossible to make direct comparisons between last year's results and this year's within the different divisions. The company now operates under three divisions: exploration and production, marketing and refining and petrochemicals.

Problems at Mongstad forced Statoil to make write-offs of Nkr3.8bn against 1987 accounts which plunged the state oil company heavily into the red last year with a net loss of Nkr1.5bn. This compared with net profits in 1986 of Nkr1.15bn.

Bergen Bank to launch share issue

By Our Oslo Correspondent

BERGEN BANK, one of Norway's top three banks, plans to launch a one-for-five rights issue that would increase its share capital by Nkr302.7m to a total of Nkr1.75bn (\$266m) to meet new legal requirements for a higher capital ratio.

Norway's minority Labour Government earlier this year passed a law on financing which requires that the banks' share capital must be at least 6.5 per cent of their assets.

Bergen Bank, however, said

it aims to maintain a higher level than the minimum set by the law.

Preferential rights to subscription will be given to the bank's shareholders from October 18 while employees are allowed to subscribe for new shares up to Nkr1.3m nominal value.

The subscription is to open November 7 and close on November 21 although the issue price has yet to be set. The new shares will pay a

half-dividend on the 1988 results.

In June, Bergen Bank bought Nesi, the Danish international cleaning and security systems group, increased group pre-tax profits in the first half from Dkr58.5m to Dkr87.8m (\$12.3m) on turnover up by 18 per cent to Dkr3.22bn.

After taxation and minority shares, the consolidated net profit increased from Dkr4.61m to Dkr5.8m. An increase of 20 per cent in sales and a similar growth in pre-tax earnings was forecast for the year.

About Dkr290m of the increase in sales of Dkr520m came from acquisitions in Belgium at Sept 18a.

Aid sought for aluminium plans

By Robert Gibbons

MANITOBA and Quebec are vying for Canadian Federal support for separate internationally-backed aluminium smelting projects.

The Manitoba Energy Authority is negotiating a long-term power contract for a C\$800m (US\$655m) smelter with capacity of 200,000 tonnes. This is to be built by Alumax, a US-Japanese consortium.

At the same time an international group plans a 250,000-tonne smelter costing nearly C\$1bn at Sept 18a.

ISS ahead after first half

By Hilary Barnes in Copenhagen

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Iberia considers stake in Uruguay airline

By Tom Burns in Madrid

IBERIA, the Spanish national carrier, is considering the purchase of a 49 per cent stake in Pluna, the Uruguayan state airline - but on the talkings of the proposed tie-up between Scandinavian Airlines System and Aerolíneas Argentinas.

Iberia, currently strongly profitable, received the offer from Pluna, and senior Iberia executives travelled to Montevideo last week for exploratory discussions.

If the Aerolíneas deal takes off, Iberia can expect to focus

increased competition in the Latin American market, which has traditionally been lucrative for the Spanish company.

The Spanish airline has a larger presence on that continent than any other European airline and its only real rival on the routes to the southern part of the continent is the Argentine carrier.

Iberia said Pluna was initially interesting because the Uruguayan airline had a well-developed internal network, but the Spanish airline

stressed that negotiations were at an early stage.

Iberia is also reviewing, although apparently with less urgency, a possible stake in Dominicana de Aviación, the Dominican Republic's carrier, following an approach from that airline two months ago.

Iberia has never before expressed interest in foreign acquisitions but the combination of continued strong profits and of the Scandinavian initiative seems to have whet its appetite.

NEW ISSUE

This announcement appears as a matter of record only.

August, 1988



SANWA SHUTTER CORPORATION

U.S.\$130,000,000

4 1/2 per cent. Guaranteed Bonds Due 1993

with

Warrants

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BANK OF BOSTON CORPORATION

Floating Rate Notes Due 2000

Issued 12th September 1988

Interest Period 14th March 1988

14th September 1988

Interest Amount per U.S. \$50,000 Note due

14th September 1988 U.S. \$2,047.40

Credit Suisse First Boston Limited

The Council of Europe Resettlement Fund for National Refugees and Over-Population in Europe

¥10,000,000,000

Floating Rate Notes due 1994

(the "Notes")

In accordance with the terms and conditions of the Notes, notice is hereby given that for the Interest Period from 18th August, 1988 to 21st February, 1989 the Notes will carry an Interest Rate of 9% per cent. per annum. The Interest Amount payable on the Interest Payment Date which will be 21st February, 1989 is US.\$486.98 for each Note of U.S.\$10,000 and US.\$12,174.48 for each Note of U.S.\$250,000.

Westpac Banking Corporation

23 Walbrook, London EC4N 8LD

Agent Bank

Oil and Natural Gas Commission

U.S. \$150,000,000

Guaranteed Floating Rate Notes due 1997

Notice is hereby given that the Rate of Interest has been fixed at 9.25% and that the interest payable on the relevant Interest Payment Date February 21, 1989 against Coupon No. 8 in respect of US\$10,000 nominal of the Notes will be US\$480.49.

August 18, 1988, London

By Citibank, N.A. (CSSI Dept.), Agent Bank

CITIBANK

First Union Corporation

U.S. \$150,000,000

Floating Rate Notes due 1996

The rate of interest per annum on First Union Corporation's Floating Rate Notes due 1996 for the interest period beginning 16th August, 1988 and ending 16th November,

INTERNATIONAL CAPITAL MARKETS AND COMPANIES

Japan pays price for a zero cost option

Stefan Wagstyl on market turmoil resulting from a high-risk trading instrument

The Japanese foreign exchange options market, one of the fastest growing of Tokyo's newer financial markets, has been thrown into turmoil.

In the wake of the recent rise in the US dollar, corporate investors have suffered foreign exchange losses using a particularly risky kind of option, called the zero cost option.

As a result, companies in the market - mainly Japanese industrial groups - are urgently reviewing their trading procedures and the Ministry of Finance is considering introducing formal rules into a hitherto lightly-regulated market.

After growing tenfold since last summer, to a peak of more than \$1bn, daily turnover in the market fell last month to about one third of its previous level, according to the Bank of Tokyo.

Some traders say the market is suffering from the strains of growing too fast. A combination of aggressive salesmen, inexperienced customers and lax supervision encouraged a few brokers to be reckless in the risks accepted.

Mr Steve Mazzoumani, country treasurer at Barclays Bank in Tokyo, says events in Tokyo resembled events earlier in the

decade in London and New York. "It's like *deja vu*," he said.

Overseas banks quickly followed by the Japanese, began trading foreign exchange options over the counter in Tokyo in the last two years.

Japanese exporters and importers had long tried to control currency risks by using the forward market - where companies buy contracts which oblige them to buy (or sell) foreign currency at a predetermined date and rate.

Options give a company a right but not an obligation to make use of a pre-determined time and price for foreign currency transactions.

They are often an efficient way to reduce foreign exchange risk, a key consideration for Japan's many exporters and importers. But options can be complex, and they carry hidden risks.

Banks often saw options as a way of establishing a toehold with an important industrial customer.

Some deliberately sold options at wafer-thin margins, as well as loss-leaders - the so-called *kanikaze* option.

Banks began to promote an especially tempting package, called the zero cost option, which was an instant hit with

many clients as it involved no up-front payments.

Normally, a customer pays a bank a fee for an option, rather like an insurance premium. However, banks eliminated this fee by packaging together an option sold by the bank to the customer in return for one sold by the customer back to the bank.

For example, with the dollar at Y125 a client could buy the right to sell dollars at Y125 in return for selling to the bank the right to buy dollars at Y125.

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beginners takes more time than some of the banks have been prepared to allow in the past year.

Meanwhile, the MoF, having to juggle many regulatory banks simultaneously, had yet to impose compensative checks in the market. One official says that banks could bring their options products to the ministry for approval on a case-by-case basis. But this procedure is purely voluntary.

Japanese banks' foreign exchange positions are subject to overall limits on a daily basis. But the way in which positions taken in the options market are calculated is something of a grey area, according to UK experts at Japanese banks.

The ministry has its regulatory work cut out as next year foreign exchange futures and options will be traded on a newly created financial futures exchange in Japan, as well as over the counter. This is widely expected to boost turnover and multiply the potential pitfalls.

However, the last thing the ministry wants is to stanch the market's growth. As the world's largest trading nation, Japan needs access to the most effective ways of managing its exchange risks.

The biggest single problem they face is finding enough staff. Trained Japanese-speaking options traders are a rare commodity and training for

Dollar recovery brings firmer tone to markets

By Dominique Jackson

EURODOLLAR bonds finished the day with a marginally firmer bias yesterday, supported by the dollar's rebound on the foreign exchanges and propelled further by some substantial short covering.

However, dealers reported

some Treasury losses.

The lead manager reported good demand and from a broad base of investors and not just from the UK institutions which would be expected to pick up the issue. Nomura quoted the issue bid at a discount of 1.55, just within its total fees.

Macmillan Finance International led a C\$100m five-year issue for a unit of Landesbank Schleswig-Holstein, on which the coupon is set at 10.1% per cent and the price at 101.1%. The bond was priced to yield a margin of 41.1 basis points (hundreds of a percentage point) over comparable Canadian government bonds at launch.

INTERNATIONAL BONDS

The lead manager said it had identified a pocket of demand for the issue which would ensure placement.

The issue benefited from a

resilient tone in the secondary

market and the deal was bid at

a discount equal to its 1% fees.

Syndicate managers at

houses not involved in the deal

were surprised at the choice of

the lead manager for the man-

date on the issue which is

guaranteed by the Luxembourg

branch of the issuing bank.

Secondary Canadian dollar market spreads have recently widened out from the extremely narrow margins seen a few weeks ago as investors have been selling Eurobonds to take profits and have reinvested either in new issues or in the underlying Canadian government bonds themselves.

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In West Germany, domestic bond prices ended the day narrowly easier where changed, depressed by the robust tone of the dollar. D-Mark Eurobonds finished the day unchanged.

On the new issue side, one dollar straight bond did emerge, however, towards the end of the day. Nomura International led a \$200m three-year deal at 9.7% per cent and 101 for a unit of J.Sainsbury, the UK supermarket group and guaranteed by the parent company. This is the borrower's first issue.

The bond was launched late in the day at a yield margin of 47 basis points over comparable

New formula for repackaging perpetuities

By Our Euromarkets Staff

PERPETUAL floating-rate notes present a problem that, by definition, will not go away. But, as a few securities houses have found, they can be made palatable to a pool of investors if their most unattractive attribute - the fact that they never mature - is disguised in a composite security with an insurance policy thrown in for good measure.

When the bottom fell out of the market in the perpetual floaters in late 1986, the owners of the securities, mostly Japanese banks, found themselves stuck with about \$17bn of bonds of which they could not rid themselves without taking losses of 20 to 30 per cent.

While buyers have emerged for some issues, most paper is still trading at discounts of 15 to 20 per cent. However, demand for perpetuities can be broadened by redesigning them into another security entirely, although the exactly right for

mula has yet to be found. A widely-publicised offer designed in July 1987 by J. Henry Schroder Wagstaff and aimed at helping banks clear up to \$1bn of the unwanted securities from their books, flopped without a single bond being tendered.

Last December, Merrill Lynch and First Bank Systems, a Minneapolis based bank, offered \$140m of securities of a special purpose company, Guarantee Investment, allowing investors to trade their holding for the underlying perpetual note and a zero-coupon bond. The structure has not been repeated.

This time, they think they have the formula right. Philip Burnaman, vice-president at FSA, said that there another offering in the works and similar projects underway.

Demand for perpetuities from securities houses has already driven prices up so that the

repackaged deals may become victims of their own success. Underwriters of the latest repackagings concede that the need to make surreptitious purchases of perpetuities was one of several factors that delayed the issue's launch.

While underwriters are tight-lipped about how profitable these repackagings are, some insight can be gleaned by looking at secondary market prices.

For instance, while Muirfield's new 30-year notes are trading at 100 per cent compared with 98.5 in 1986, the 10-year zero-coupon bond is trading at 100.5.

The other essential ingredient of the package is an irrevocable guarantee of interest and principal from AAA-rated Financial Security Assurance, a US-based insurance firm.

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Slowdown for S Korea companies

By Maggie Ford in Seoul

SOUTH KOREAN companies, hit by appreciation of the currency, higher wages following strikes and an increase in raw material prices, have experienced a reduction in the rate of income and sales growth in first-half results reported this week.

Sales across all sectors increased by 12.4 per cent compared with a 15 per cent rise in last year's first half. Net income increased 46.3 per cent compared with 55.1 per cent.

The latest average figure was badly affected by the poor performance of the motor industry. Labour disputes stopped production at all three main manufacturers, leading to a rise of only 3 per cent in sales for the sector compared with 52 per cent last year. A substantially better result is expected in the second half.

The electronics sector saw a slowing in sales growth to 23.5 per cent, from 30.3 per cent last year, and textiles improved by 18.1 per cent compared with last year's peak of 25 per cent.

Cement and steel surged on the back of a construction boom to record growth of 24.3 per cent and 27.1 respectively, up from 6.2 per cent and 15.4 per cent. Trading companies showed a leap in net income, following the rise in imports and lower servicing costs of dollar-denominated debt.

Preliminary individual results showed wide variations. Of the four companies which have issued convertible bonds on the Euromarket, Samsung Electronics performed better than expected, with an increase in sales of 14.3 per cent and a net income rise of 32.1 per cent to 31.3bn Won (46.4m).

GoldStar, the other main electronics producer, showed strong sales growth of 33.1 per cent but saw net income fall 16.9 per cent to 12.7bn Won, mainly as a result of a 50 per cent jump in borrowing costs.

Daewoo Heavy Industries, still experiencing a period of adjustment and hit by high yen costs on imported components, posted a 5.3 per cent fall in sales but a 1.2 per cent rise in net income.

Analysts regard the figures as disappointing by South Korean standards, where rises in sales and profits are often as high as 40 or 50 per cent. Appreciation of the won will hit further company profitability in the second half, they believe, although losses from disposals will be reduced, especially in the motor industry.

Two quit Republic NY

MR TONY DYSON and Mr Bradley Rood said they had resigned from their senior positions at Republic New York, the London-based capital markets subsidiary of Republic National Bank of New York. They cited fundamental philosophical differences over future strategy as the reason for their departure.

Mr Dyson was managing director of the London operation and executive vice-president of the parent company. Mr Rood was a director in London and senior vice-president of the parent bank.

Both joined Republic New York from E.F. Hutton four years ago to develop the company's international capital markets activities, concentrating mainly on global fixed income securities, both Eurobonds and government issues, from the London base.

De Laurentiis seeks protection

By Our New York Staff

Mr De Laurentiis severed his connection with the company earlier this year.

The new management has succeeded partially in rebuilding the group's finances by, for example, clearing a revolving bank line of credit and selling some assets. But it has been pressed into Chapter 11 by the recent failure of an exchange of notes on which it is in default and several lawsuits alleging nonpayment of debts.

Only the main company is in

Chapter 11, leaving several subsidiaries to function normally.

Two of these are the limited partnership and North Carolina Film Studio Inc, a modern production complex built by Mr De Laurentiis in North Carolina.

De Laurentiis, which has not made a film this year, said Onyx Entertainment, a new subsidiary, would develop existing and newly acquired film and television properties.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

US DOLLAR STRAIGHTS Closing prices on August 17

Issuer Bid Offer Day week Yield Change in

US STRAIGHTS Issuer Bid Offer Day week Yield Change in

Other STRAIGHTS Issuer Bid Offer Day week Yield Change in

Denmark 7% 92 ECU Issuer Bid Offer Day week Yield Change in

Obuse 11% 95 ECU Issuer Bid Offer Day week Yield Change in

Denmark 6% 92 ECU Issuer Bid Offer Day week Yield Change in

Denmark 6% 92 ECU Issuer Bid Offer Day week Yield Change in

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UK COMPANY NEWS

WH Smith rises to £71m and achieves objectives

By Vanessa Houlder

WH SMITH, the retail and distribution group, yesterday announced a 10.5 per cent rise in pre-tax profits to £70.6m for the year to May 28. Turnover rose by 13.8 per cent to £1.65bn.

Sir Simon Hornby, chairman, described the results as "very good indeed", considering the setback experienced in wholesale distribution. The company had achieved strategic objectives on all fronts, as well as delivering record profits, he added.

Its strategy was to "expand and modernise W. H. Smith Retail and Do It All, and develop specialist chains such as Our Price Music in the UK and abroad," he said. In distribution, it intended to "exploit new opportunities in the commercial stationery market and develop programming and services for cable and satellite TV in Europe."

Profits from the distribution operations were down from £17m to £15.7m, as a result of the widespread shake-up in

newspaper distribution arrangements. But the £40m of turnover lost by the withdrawal of News International's business was partially offset by the gain of £5m in new business. In total, sales on the distribution side, comprising news, books and commercial stationery, increased by 9 per cent to £821.8m.

The television services division made a loss of £2.7m, as a result of investment in higher quality programming. This compares with a profit last year of £0.5m, which included £1.5m profit on the sale of a station in Yorkshire Television.

The retail businesses increased profits by 25.7 per cent to £55.1m (£43.8m). Sales rose by 11.4 per cent to £294.1m. The high street retail chain improved margins and market share, while the number of travel agency outlets went up from 116 to 137.

Sales of Our Price Music increased by 28 per cent, while established shops increased sales by 16 per cent.

CCF falls to £0.5m at midterm

By Clare Pearson

CCF GROUP, financial software house, yesterday blamed last October's stock market crash for a squeeze on margins which reduced pre-tax profits from £2.2m to £1.7m in the half year to June 30.

The company was geared up to cope with its previous annual turnover increase of about 100 per cent, when demand for most of its products disappeared, Mr Tim Smith, chairman, explained.

The result, which was

achieved on turnover of £111m (£8.5m), would have been even worse but for a payment of more than £100,000 arising from an out-of-court settlement of a dispute with Banque Paribas Capital Markets, for which CCF made a £400,000 provision in the 1987 results.

But Mr Smith said demand from the securities industry had now improved, while the continued expansion of CCF's product range had put it in a

stronger position to take advantage of the "inevitable" upturn in business prospects.

An interim dividend of 1.4p (1.2p) is recommended. The shares rose 5p to 14.5p yesterday.

Products for banking and treasury management, which CCF moved into with the acquisition of Downes Associates last April, put in about half of profits in the first half.

The group's existing international divisions put in a mixed performance in the first half. The US accounted for a loss of £36,000 (against a profit of £389,000). Australia turned around from a £201,000 loss to a £10,000 profit, and the Far East accounted for £56,000 (£54,000).

Earnings per share came out at 2.45p (12.5p).

Manchester Ship

The possible offer for Manchester Ship Canal has suffered an abrupt and speedy demise, with the company announcing yesterday that the talks have been discontinued.

It also lifted the suspension on its shares. The ordinary promptly soared from 15.5 to 21.

Caparo buys US tube maker for £23m

By Andrew Hill

CAPARO INDUSTRIES, engineering group, is expanding its tube-making interests in the US with the purchase of Bell Moose Tube Company from National InterGroup, the US steel and pharmaceuticals group, for \$35.25m (£22m) in cash.

The television services division made a loss of £2.7m, as a result of investment in higher quality programming. This compares with a profit last year of £0.5m, which included £1.5m profit on the sale of a station in Yorkshire Television.

During the year, a total of 255 new retail outlets were added, bringing the number up to 1,462 with a total selling space of 7,171 square feet.

Earnings per share rose by 13.7 per cent to 24.5p. Final dividends of 8p per "A" share and 12p per "B" share have been declared, making a total of 8p per "A" and 16p per "B".

CCF's profit for the year increased from last year's

£1.7m to £1.5m, as a result of the widespread shake-up in

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Bertam Holdings PLC

Extracts from the Annual Statement by Mr. E. Hadsley-Chaplin FCIS, Chairman and Managing Director, on the year ended 31st December, 1987.

* Operating profit rose from £136,000 to £232,000 and investment income rose from £197,000 to £251,000. An increased dividend up from 1p per share to 1.20p per share is recommended.

* Since the year end our holding in Coly Farms Cotton, in Australia, has been bought out giving a profit before tax of approximately £960,000.

Prospects

* The price of rubber over the last few months has been at levels not seen for many years. The outlook for our 900 hectares of mature rubber is distinctly healthy.

* Palm oil is currently higher than last year's average price and our return from this crop in 1988 should be better than for 1987.

* Current indications are that trading results for 1988 should be in excess of those for 1987.

* Close liaison continues with the authorities in the Penang area regarding potential development of land at Bertam Estate.

An intelligence network for 1992

By Nick Bunker

FARMERS GROUP, US insurer, has continued its strategy of trying to use local insurance laws to halt the UK's BAT Industries, despite its announcement late on Tuesday that it would meet BAT to discuss the takeover proposal.

Farmers said yesterday that it planned to appeal against a decision by insurance regulators in Illinois to approve BAT's plans to acquire the company.

It claimed that the Illinois insurance commissioner to disallow the takeover unless BAT could prove that its ownership would not jeopardise the interests of policyholders.

News that Farmers would appeal in Illinois came as Mr. Patrick Sheehy, BAT chair-

man, prepared yesterday in Los Angeles to meet Mr. Leo Denies, chairman of Farmers, following a Farmers board meeting on Tuesday which authorised management to enter into talks over the bid.

The meeting had been called to consider BAT's proposal last week to raise its terms for Farmers from \$63 to \$72 per share. Yesterday, the prospect of talks between the two groups - a sign that Farmers' resistance may be cracking after more than seven months - raised hopes on Wall Street that BAT would soon clinch the acquisition.

Mr. Gordon Luce, insurance analyst with Brown Brothers Harriman, said: "The odds now are for a successful conclusion for BAT. They might have to go a couple of bucks higher,

but both sides yesterday drew a veil of secrecy over the exact location and timing of the talks, with executives refusing to go beyond carefully-worded official statements issued on Tuesday night.

Mr. Sheehy said then that he "looked forward to the face-to-face discussions" due to start yesterday. He said he believed that if they achieved "a friendly negotiated transaction", then regulatory approvals for the acquisition could be obtained quickly.

Officials at Farmers declined to elaborate yesterday on the reasoning behind a statement by Mr. Denies that his board had made no decision about the possible sale of the company, but was willing to talk to see if BAT's \$72 per share offer was a basis for negotiation.

Poor take-up on rights issues

By Philip Coggan

LUKEWARM RESPONSES to two rights issues of convertible preference shares from UK companies raises the question of whether the fashion for such issues may be about to wane.

The £25m rights issue from Tonkin, industrial conglomerate, was taken up by 60 per cent of shareholders whereas a £2m issue from KLP, sales promotion group, achieved only a 34 per cent take-up.

Convertible preference share issues became extremely popular after October's stock market crash since they offered investors the attraction of a high yield, at a time when they

were reluctant to subscribe for ordinary shares. However, the market in such issues can be rather illiquid and there are signs that investors' appetites have been sated.

The Tonkin issue was designed to finance the group's purchase of Murray Ohio, US-based lawnmower and bicycle manufacturer. Around 60.6 per cent of the main underwritten issue was taken up, but only 32 per cent of the small non-underwritten offering.

County NatWest, underwriter to the issue, said that the size of the take-up was creditable given the more limited

appeal of convertible issues. The shares not taken up in the underwritten offering have been placed with investors by James Capel. Tonkin's shares fell 10p to 257 yesterday.

KLP said that the response rate was "as high as could be expected" given the increases in interest rates since the issue was announced. The shares paid a dividend of 6.75 per cent at the issue price.

KLP's issue, which was designed to finance two acquisitions in the US, came just a year after a £2.1m one-for-three issue in 1987. KLP's shares fell 3p to 265p yesterday.

USH senses victory after raising offer for Varo

By Clay Harris

UNITED SCIENTIFIC Holdings, defence equipment group, yesterday appeared to be close to a breakthrough in its five-month-old bid for Varo after raising its offer for the US defence electronics company to \$98.5m (£57.2m).

Varo, based near Dallas, said it was prepared to consider USH's new \$22 per share offer, which replaced a £10.50 bid which had been on the table since February. On the New

York Stock Exchange, Varo's shares were \$3.4 higher at \$23 in early afternoon trading.

USH already owns 9.9 per cent of Varo, which manufactures night-vision equipment. The two companies have not held any official discussions since USH launched its bid.

The UK company hopes to combine Varo with its Texas-based Optic Electronic subsidiary, which makes similar products.

Ericsson wins only small proportion of BT orders

By Hugo Dixon

ERICSSON, the Swedish telecommunications company, has received a tiny allocation of well over 700,000 of British Telecom's latest batch of orders for digital exchanges. This is the second consecutive time that Ericsson has won an insignificant proportion of orders.

Of the £25m order for 729,000 lines, Ericsson has been chosen to supply only 45,000 with its System Y exchanges. GEC Plessey Telecommunications, the UK company, will be supplying the remainder with its System X exchanges.

Ericsson, Mr. Ron Ely, corporate affairs manager for Thurn Ericsson, the Swedish company's UK subsidiary, said

most of the recent batch of orders were not open to competitive tender, he said, but had been awarded to GPT on the basis of a long-term contract negotiated with BT earlier this year. Ericsson had won 20 per cent of the orders that were open to competitive tender.

Mr. Ely said the company was still on target to achieve a 30-35 per cent share of the UK digital exchange market and that its factory, which can produce 750,000 lines a year, was working at full stretch.

The panel, Ely said, had only asked it to clarify that a press article, reprinted in a defence circular, regarding the "embarking on a prolonged period of profit growth" was the journalist's opinion, not a profit forecast by Ericsson.

Ericsson also said that its dividend forecasts had been conservative and that no ceiling had been placed on pay-out for this year and next.

Telfos controls nearly 38% of Runciman

By Clay Harris

Four days before the close of its £20m hostile takeover bid for Walter Runciman, Telfos Holdings, engineering conglomerate, has received acceptances for 6.19 per cent of shares in the shipping and security group. Telfos already owns 53.3 per cent stake in Principal, assuming conversion of loan stock.

This week, both sides have sent out final letters to Runciman's shareholders, urging them to support - or reject - the Telfos bid.

Last night, Runciman complained that Telfos' final document contained "seriously misleading statements". Runciman said one sentence carried the clear implication that the Telfos panel had doubts about its ability to pay the dividends forecast for 1988 and 1989.

The panel, Runciman said, had only asked it to clarify that a press article, reprinted in a defence circular, regarding the "embarking on a prolonged period of profit growth" was the journalist's opinion, not a profit forecast by Runciman.

Runciman also said that its dividend forecasts had been conservative and that no ceiling had been placed on pay-out for this year and next.

Floyd Energy

The formula asset value for Floyd Energy's agreed offer for New Barion Oil Trust has been calculated at £81.75p per New Barion ordinary share.

This means that New Barion shareholders retain either Floyd shares to the value of £81.75p for each ND share held, or £81.75p in cash.

Recovery at Beacon

Shares in Beacon Group rose 12p to 53p as the group revealed a sharp turnaround into profits and a return to the interim dividend list with a 4p payment. Turnover in the half year to July 2 rose to £10.3m, up 27.2% on the previous year, with a loss of £484,000 last time. Earnings worked through at 4.05p (3.3p losses).

Gnome Photo up

Gnome Photographic Products, Cardiff-based manufacturer of overhead projectors, reported pre-tax profits of £45.275m for the year to May 31, 1988, up 4 per cent from £42.532 last time.

The group, which fell to new ownership in May, increased turnover 11 per cent from £2.3m to £2.55m. Tax took £151,064 (£160,510) and a final dividend of 3p, making an unchanged 8p, came from earnings per share of 12.89p (12.3p).

The board said the current year had started satisfactorily, and it looked forward to the future with confidence.

It also intends to capitalise a proportion of reserves and proposes a share split, which in conjunction with a bonus issue will result in current 10p share holders receiving six new 5p shares for each share.

It is also intended to change the company's name to Noble Harrow.

Meeting adjourned at Charles Barker

By Nikki Tait

CHARLES BARKER, the advertising, public relations and recruitment group, yesterday adjourned the extraordinary meeting called to approve certain proposals for its Ayer Barker subsidiary and changes to the company's share option takeover, because of continuing take-over talks.

Barker announced that it was in discussions which might lead to a recommended offer on August 1. Yesterday, Mr. David Norman, Barker's chairman and chief executive, said that these talks were continuing. Because the Ayer Barker arrangements could have some potential impact, he asked the meeting to adjourn the vote to September 6. This was swiftly agreed - yesterday's entire meeting taking less than five minutes.

Under the proposed deal, N W Ayer, US advertising group, would subscribe an initial £2m for a 25 per cent stake in Ayer Barker. This - following a further subscription - could then

rise to 56 per cent in 1990. N W Ayer already holds 12.6 per cent of Charles Barker itself.

Potentially significant, given the bid discussions, is a clause in the arrangement which allows the US group to buy out Barker if control of Barker itself changes. The purchase price would be based on 12 times the previous financial year's post-tax profit at Ayer Barker.

The take-over approach to Barker is widely rumoured to have come from WPP, the acquisitive advertising and marketing services group headed by Mr. Martin Sorrell.

Suggested offer prices have ranged around 180p a share. WPP is thought to be attracted by Barker's human resources and regional advertising businesses, but there have been suggestions that the executive search operation, Norman Broadbent International, could be sold on - possibly to management.

Ward profit surge

Ward Holdings lifted its pre-tax profit by £1m to £6.17m in the six months ended April 30 1988. The interim dividend is held at 0.5p.

The group is a house builder, plant hire and manufacturer of PVC doors. Turnover for the period came to £23.54m (£20.45m), with house sales contributing £19.45m (£17.43m).

The directors said that market conditions had remained satisfactory, and indications were that the situation would continue.

Profit attributable was £4.1m (£3.56m), giving earnings of 7.5p (6.8p).

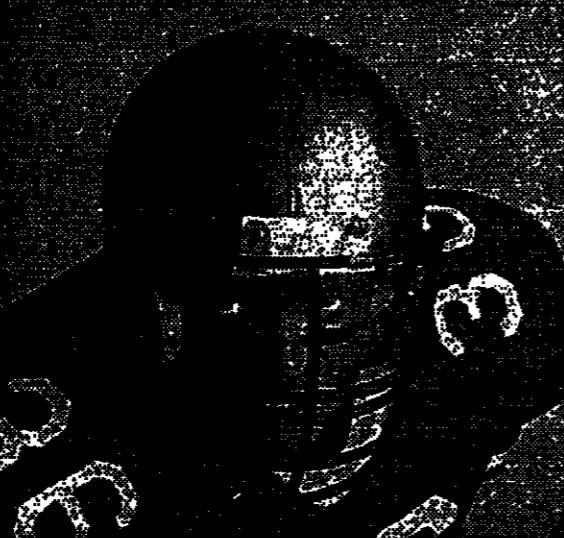
UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY- Indices of industrial production, manufacturing output (1980=100); engineering orders (£ billion); retail sales volume (1980=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unified vacancies (000s). All seasonally adjusted.

	Ind. prod.	Manuf. out.	Retail vol.	Retail val.	Unemp.	Vacs.
1987						
1st qtr.	111.1	106.1	27.7	125.4	188.9	2.973
2nd qtr.	111.8	107.8	27.5	128.5	188.2	2.985
3rd qtr.	112.0	108.0	27.5	128.5	188.3	2.985
4th qtr.	112.3	112.8	28.5	124.4	188.2	2.981
Jan.	112.4	112.8	28.5	124.5	188.2	2.981
Feb.	112.4	114.1	31.1	126.5	192.3	2.976
March	112.5	114.8	32.9	125.2	192.4	2.975
April	112.5	112.5	31.0	126.3	192.3	2.973
May	112.5	114.5	31.5	126.3	192.5	2.973
June	112.6	116.3	32.8	128.2	192.3	2.975
July	112.6	117.7	113.4	124.0	192.0	2.975

OUTPUT- By major sector: consumer goods, investment goods, intermediate goods (metals and fuels); engineering output (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invest. goods	Int. goods	Eng. output	House starts
1987					
1st qtr.	107.4	108.1	116.1	122.7	114.3
2nd qtr.	110.2	112.8	117.5	123.5	115.2
3rd qtr.	112.0	114.5	119.2	124.2	116.1
4th qtr.	112.2	116.0	119.8	124.5	116.3
Jan.	112.3	116.1	119.8	124.5	116.3
February	114.0	112.5	119.5	125.2	116.3
March	114.2	112.5	119.5	125.2	116.3
April	114.5	114.5	120.0	125.5	116.3
May	117				



To deliver another year of record profits, you need more behind you than strength.

WINNING STRATEGY

You need a plan to stay ahead of the competition.

Ours is a four point strategy for growth which will take W H Smith, the retail and distribution group, into the 1990s.

Expansion and modernisation of the W H Smith High Street chain and the Do It All chain out of town.

Together these give us a broad base of retailing throughout the country.

The W H Smith chain, the market leader in book, greeting card, stationery and magazine retailing, now operates from 447 shops. With an extra 86,000 sq. feet of floor space and a total of 41 stores now fitted out in the new design, we have an even firmer footing in the high street.

Out of town our D.I.Y. chain Do It All has put up an equally impressive performance. Sales went up by 33.4% and trading profits by 18.5% despite the cost of opening 25 stores and re-fitting 6 others. The total stands at 105 Do It All stores now up and running.

Development of our specialist retailing chains in Britain and North America.

These enable us to cater for all possible tastes in the markets in which we operate.

This year Our Price Music has increased turnover to almost £100m, that's 29% above last year's achievement. Our post balance sheet acquisition of 74 Virgin shops brings the score to over 270 stores and gives us around 22.5% of the recorded music market.

Reinforcing its position as the UK's leading specialist bookselling chain,

Sherratt and Hughes opened three stores during the year making a total of 42.

Paperchase, our stationery chain, went on the offensive, opening 6 shops in Britain and 12 in Canada. Our improved performance in Canada sent trading profits soaring by 59% in dollar terms.

Overall, 79 stores were opened or acquired in North America, including 32 in Hawaii, one of the world's fastest growing resort areas.

But we're also meeting the needs of holiday makers at home. This year in the UK, W H Smith Travel's 197 outlets sold 500,000 package holidays.

Exploiting the opportunities in a changing environment for distribution in Britain and the U.S.

In a year in which the distribution of newspapers and magazines underwent fundamental change, W H Smith Wholesale secured more business in the magazine and Sunday newspaper markets.

We also gained a significant share of the commercial stationery market by acquiring the Pentagon Group and only last week, the Satex Group.

Development of programming and services for Cable and Satellite TV in Europe.

We believe this to be a business with significant growth potential and expect it to come into profit by the 1990s. We are already a major force across Europe in these media, transmitting an annual equivalent of 6,500 hours of television. Our satellite channels are distributed in 10 countries. Screensport, the sole sports channel in Europe, adding three more countries during the year.

With our four point strategy behind us, we're proving that we are a formidable force in the leisure market.

And just as important, we've produced yet another year of winning results.

	June-May 87-88 £ million	June-May 86-87 £ million
Sales	1,661.9	1,460.0
Pre-Tax Profit	70.6	63.8
Net Dividend	9.0p	7.8p
Earnings Per Share	24.07p	21.16p

For a copy of W H Smith's Annual Report and Accounts write to Public Relations Department, W H Smith Group PLC, Strand House, 7 Holbein Place, London SW1 8NR.

WHSMITH

BEST SELLERS

THE CONTENTS OF THIS STATEMENT HAVE BEEN APPROVED FOR THE PURPOSE OF SECTION 57 OF THE FINANCIAL SERVICES ACT 1986 BY TOUCHE ROSS & CO. AS AN AUTHORISED PERSON.

UK COMPANY NEWS

Five Oaks doubles size after property purchase and rights

By Paul Cheeseright, Property Correspondent

FIVE OAKS Investments, property company, is doubling its £26m property portfolio and a one-for-one rights issue.

The effect of the changes will be to leave the company with a net asset value per share of 67p. The market value of the shares before the announcement of the expansion yesterday was 63p.

In a circular being sent to shareholders, the seller of the property portfolio, which is made up largely of offices and shops in the south east outside

central London, is named as Dinton Investments.

Payment for the portfolio will be in cash and shares. The cash will come from the proceeds of the rights issue, priced at 55p a share to raise £1.9m.

In addition, Five Oaks will draw on a £20m revolving credit from a syndicate of banks led by Robert Fleming for £13m. Dinton will also be issued with 3.2m shares and hence will have 7 per cent of the enlarged Five Oaks equity.

The initial yield on the newly purchased properties is just over 7 per cent, but this should increase as rent reviews come through. These reviews will reflect the trend of higher rents spreading out from central London.

Since the equity market crash last October property companies have generally been reluctant to seek expansion through the issue of paper.

Five Oaks, however, has adopted the same approach it used in 1986 when it also made a quantum leap in size. At that time, it also had a rights issue and a vendor placing.

C. Baynes returns to the black

THE TRANSFORMED Charles Baynes group made a pre-tax profit of £563,000 in the first half of 1988, in line with expectations and reflecting the progress made in moving from textile rental and property services to a specialist industrial group.

Dr Bruce McInnes, chairman, said that, with the better half of the trading year to come, the outlook was encour-

aging, and he expected to pay a dividend for 1988. "I feel confident that the foundations have now been laid for continued strong growth," he stated.

The balance sheet remained strong with net liquid resources of £1m. A further £1m in cash was expected to be generated from operations by the year-end.

In June the High Court confirmed the application of share

premium account against the deficit on revenue reserves, and the remaining deficit had been eliminated by retained profits for the half-year.

The profit was the first for three years. It compared with a loss of £593,000 in the six months ended March 31 1987, which increased to £1.24m for the 15 months to the end of 1987.

by increased advertising expenditure.

There was a drop from £704,000 to £492,000 in profits from other activities, as a result of lower interest rates, reduced opportunities to take profits on equity investments, and a greater commitment of funds to acquisitions and development of the business.

Earnings worked through at 10.5p (10.4p) and the interim dividend is raised to 3.5p (3.15p).

Cabana had appointed a new distributor for the Lake District and acquired a company in Blackpool. Independent Vending Supplies had purchased two small businesses serving the catering and confectionery markets.

J.N. Nichols just ahead midway

J.N. NICHOLS (Vimto), maker of fruit compounds and cordials, is looking for 1988 to show an improvement over the previous year, when pre-tax profits reached £5.96m.

In the first half, turnover rose from £14.18m to £17.86m and pre-tax profit from £3m to £3.07m. Operating profit moved up to £2.57m (£2.3m) reflecting a cut in margins brought about

by increased advertising expenditure.

Net asset value of F & C Enterprise Trust stood at 38.1p per share at the end of June, slightly up on the 37.4p which prevailed a year earlier.

Total revenue in the six months to June 30 amounted to £231,000 (£227,000), but after higher interest charges of £175,000 (£21,000), the pre-tax loss increased to £157,000 against £102,000 last year. The loss per 10p share was 0.14p (0.16p).

The directors said that revenue received during the period under review was not indicative of the total likely for the full year, and they expected to be able to maintain the annual dividend.

This left the balance of 7.23m in the hands of the underwriter, Chase Investment Bank. The directors are declaring a 1p interim dividend.

These are the first results the company has filed since it came to the USM in April of this year.

The offer of 11m shares, 40p per share of the enlarged equity, at 83p each was substantially undersubscribed with just 3.77m shares (34.2 per cent) being taken up.

This left the balance of 7.23m in the hands of the underwriter, Chase Investment Bank.

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Overheads contain Frank Usher

FRANK USHER Holdings, a US-quoted fashion house, returned profits of £1.86m pre-tax for the 16 months ended May 31 from a turnover of £18.03m.

The figures compare with £1.54m and £10.24m respectively for the 12 months to January 31 1987.

At the gross level profits of £7.05m (£4.23m for period) were subject to distribution costs of £357,000 (£268,000) and administration expenses of 24.01m (£1.97m).

Mr Christopher Norland, chairman, said yesterday that with a slight reduction in gross margins, due to the strength of sterling, the increase in administration expenses stands out as the major factor for a downturn in the level of profitability in the past four months of the 16-month period.

An exceptional provision of £85,000 related to additional rent, rates and other overheads incurred as a result of moving all London operations other than the West End rooms and design rooms to new headquarters.

Earnings for the period under review amounted to 17.5p (14.7p) and a final dividend of 4p makes the forecast total of 8p (5.5p).

The company, which gleans just under half of its turnover from overseas, said orders for its Autumn collections had improved on all previous records.

F & C Enterprise

Net asset value of F & C Enterprise Trust stood at 38.1p per share at the end of June, slightly up on the 37.4p which prevailed a year earlier.

Total revenue in the six months to June 30 amounted to £231,000 (£227,000), but after higher interest charges of £175,000 (£21,000), the pre-tax loss increased to £157,000 against £102,000 last year. The loss per 10p share was 0.14p (0.16p).

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Prompt disclosure can pre-empt insider trading

By A.H. Hermann, Legal Correspondent

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henever I hear an English judge telling the jury that they must keep a certain piece of information out of their minds – because it is inadmissible evidence – I am reminded of the ancient prescription for turning lead into gold: you put a piece of lead into boiling water and keep it boiling for five minutes and try not to think of an elephant. If you succeed in keeping the elephant out of your mind for the full five minutes you will find a piece of gold in your pot.

The corporate equivalent of "keeping things out of your mind" invented by US financial wizards and their supervisors, is the "Chinese wall" – supposedly acting as a soundproof barrier between various departments, one of which may be advising on a merger, another dealing in shares on the institution's own account, and yet another acting as broker and agent for private or institutional investors.

When writing in this column on March 20, 1986 about the Financial Services Bill (as it then was), I said "... there is the underlying idea that conflicts of interests

– between the agent and his principal, and between several clients of one agent – can be somehow prevented by the erection of Chinese walls, separating the dealing, advising, and investment organising departments in a multipurpose financial institution.

My computer tells me that as many as 50 Chinese walls might be necessary within a conglomerate to provide for all possible situations. As it may be difficult to erect so many, it suggested that partners might sit in spacesuits at lunch apart."

I must give my computer credit for seeing so far ahead, but it obviously did not see everything. For example, it did not take into account that people in the higher reaches of management will be able to peer over the "wall" and that instructions not to deal in a certain security may be misunderstood or ambiguous – in the same way that there are many different meanings which can be given to an individual word, depending on the way it is said.

The enormously complicated provisions of the Financial Services Act make it necessary for banks and other traders in security markets to hire or train special "compliance officers". Like tax advisers, the compliance experts will try to find loopholes in the rules, and even if the supervisors apply the rules according to the spirit of the legislation, they will still try to secure an alibi for their erring employees.

Many wise people express doubt as to whether the insider trading legislation can be enforced or, if it can, whether it can be enforced across the board and not just by picking up a few cases as a deterrent. If, as a working hypothesis, we accept that they are right, what else can be done?

The most radical solution, of course,

would be to roll back Big Bang and to dismantle the multi-functional institutions, making independent the various departments now believed to be separated by Chinese walls.

This is unlikely to happen and there is, of course, always the possibility of restraining oneself to the fact that the securities market, whether operating through a stock exchange or outside it, is a casino where the dice are loaded and the roulette ball has a magnetic core.

Such an attitude has been adopted in Germany, which has no effective legislation against insider dealing. German universal banks operate as moneylenders, marketmakers, brokers and financial advisers and are rulers of their own industrial empires. Statutes enable them to mix security and investment business in their

takeover premium.

This could be combined with a statutory obligation, under criminal sanctions, for all brokers, merchant bankers, lawyers, accountants, other helpers and advisers, to inform the press immediately they provide any information likely to influence the market price of the securities concerned. I can almost hear the outraged protests from the worshippers of confidentiality which such a blasphemous proposal would provoke. But there is a need to be clear about the objective and the price to be paid for it: there are no free lunches and if we wish to eliminate the abuse of secrets the best way is to have no secrets.

Of course, publicity forced from companies and their advisers would take care of insider trading based on advanced information about takeovers and other acquisitions. In addition, legislation in the US, UK and Japan catches other price-sensitive information. The "insider" dealing offence added last month to the Swiss Penal Code does not go so far, it threatens the usual range of "insiders" with prison sentences of up to three years and with unlimited fines if the crime was motivated by greed, but it is concerned only with information about imminent new issues, mergers, takeover bids and "other projects of equal significance". Knowledge that the next accounts will show loss or profit is not covered.

Statistically speaking, a quiet and steady abuse of price sensitive information may be more important than the more spectacular gains which to be obtained from advance knowledge about a takeover bid. Various measures have been adopted to prevent it – for example, prohibiting directors and other officers of the company from trading in company shares during a certain period preceding the publication of its results, but it is uncertain how effective such measures are in practice.

Here the elimination or reduction of secrets would be the most effective weapon. It could be achieved by obliging companies to publicise trading figures more frequently and to publish immediately details of any important deals or events likely to affect trading results.

If we applied glasses in politics, why not in business? The public limited companies could be made truly public.

Fife Indmar improvement

FIFE INDMAR, light and general engineering group, has shown a marked improvement in profitability in the current year.

For the first half profit before tax came to £156,000,

against £25,000 in the preceding six months and £172,000 in the comparable period of 1987.

The directors said the products and ironmongery divisions performed well.

An unchanged interim dividend of 0.75p is declared from

earnings of 1.72p (1.5p).

MMEC jumps to £1.76m

MERCHANT MANUFACTORY Estate Company (MMEC), the property investment and development group headed by Mr Paul de Savary, reported pre-tax profits of £1.76m in the six months to June 30, 1988, more than four times greater than the £276,000 for the same period last year.

Turnover rose from £7.6m to £7.6m and after tax of £469,000 (£140,000) earnings per share worked through at 6.1p (2.2p).

The directors are declaring a

1p interim dividend.

These are the first results the company has filed since it came to the USM in April of this year.

The offer of 11m shares, 40p per share of the enlarged equity, at 83p each was substantially undersubscribed with just 3.77m shares (34.2 per cent) being taken up.

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CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar surges up again

INTERVENTION BY the US Federal Reserve and the West German central bank failed to dent strong demand for the dollar on the foreign exchanges yesterday.

The dollar continued the trend seen late in New York on Tuesday, where heavy short covering led to a rally, accompanied by a recovery in bond and share prices.

Japanese investors were said to regard the dollar's dip as the trade news as an attractive opportunity to buy the currency.

Some dealers were surprised to find the dollar's upward trend still intact, after the disappointing trade data for June, and suggested the currency is unlikely to have much more upward potential.

In less than 24 hours the dollar rose from little more than DM1.57, to approach the 19-month high of DM1.9226 touched last week. It rose to a high of DM1.9140 yesterday, before closing at DM1.9125, compared with DM1.8720 on Tuesday.

The dollar also rose to Y134.05 from Y132.85; to SF1.6030 from SF1.5705; and to FF16.4725 from FF16.3400.

According to the Bank of England, the dollar's exchange rate index rose to 103.3 from 98.8.

Co-ordinated intervention by

the US and West German central banks was described by dealers as high profile, but on a modest scale, intended to take the heat out of the dollar's rise, but not to alter its upward trend.

In early New York trading the Federal Reserve was reported to have sold dollars at about DM1.9025, but it was suggested in the market that the Fed's heart was not in the action, and it was merely a sign of solidarity with West Germany as part of the Group of Seven. After the close of trading in Europe the Fed was again seen in the New York market at around DM1.9140.

The Bundesbank confirmed that it sold dollars to support the D-Mark on the open market. This was also at around DM1.9025, and appeared to be the first action on the open market by the central bank since August 8.

The intervention temporarily pushed the dollar back to

EMB EUROPEAN CURRENCY UNIT RATES

	Em central rate	Em central rate Aug. 17	Central rate Aug. 17	% change from central rate	% change adjusted for interest	Interest rate %
Belgian Franc	42.4592	43.6308	-2.99	-1.00	+1.20	1.20
British Crown	7.8022	7.7377	-0.25	-0.25	-0.25	0.25
French Franc	7.0503	7.0569	-0.18	-0.37	-0.37	0.37
German Mark	2.3933	2.3527	-1.44	-1.44	-1.50	1.50
Italian Lira	1463.58	1524.27	+4.00	+4.00	+4.07	4.07

Changes are for Em. therefore price change denotes a weak currency.

Adjustments by Financial Times.

Forward premiums and discounts apply to the US dollar.

STERLING INDEX

	Aug. 17	Latest	Previous Close
1 month	1,670.70	1,686.00	1,726.00
3 months	1,670.70	1,686.00	1,726.00
12 months	1,670.70	1,686.00	1,726.00

Forward premiums and discounts apply to the US dollar.

Changes are for Em. therefore price change denotes a weak currency.

Adjustments by Financial Times.

Forward premiums and discounts apply to the US dollar.

CURRENCY RATES

	Aug. 17	Bank Rate %	Special Drawing Rights %	Empirical Currency Rate %
US Dollar	0.755546	0.642829		
Canadian Dollar	1.259293	1.161100		
Australian Dollar	1.171781	1.161100		
Belgian Franc	51.1604	43.6308		
British Crown	2.3933	2.3527		
Deutsche Mark	1.421244	1.421244		
French Franc	7.0503	7.0569		
Italian Lira	1890.58	1942.07		
Japanese Yen	172.221	146.075		
Swiss Franc	1.402377	1.372785		
Swedish Krona	8.26072	7.13202		
Swiss Franc	1.402377	1.372785		
Great British Pound	1.670.70	1.686.00		
Other Pounds	0.900058	0.777000		

All SDR rates are for Aug. 10.

All SDR rates are quoted in US dollars. Forward premiums and discounts are for US dollars and not to be converted into sterling. Sterling rate is for convertible francs. Financial Times 40.25-43.55.

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For general advice, or for groups of listed birds, phone 01-534 2544.
Listed only by Local Authorities.

UNIT TRUST INFORMATION SERVICE

FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

BRITISH FUNDS

BRITISH FUNDS – Contd

FOREIGN BONDS & RAILS

1988		Stock		Price £		+ or -		Yield %		1988		Stock		Price £		+ or -		Yield %		1988		Stock		Price £		+ or -		Div Gross %		Prel. Yield	
High	Low									High	Low									High	Low										
"Shorts" (Lives up to Five Years)																															
99/8	93/3	Redemption 3pc 1986-96		99/8		3.02	-0.75			44/8	41/3	Consol 4pc		43/1		9.22				45	33	Greek 7pc Ass.		45		3.50		77.78			
100/8	99/1	Treas. 7-1/2pc 1988		99/8		5.51	10.58			39/8	37/3	War Loan 3pcers		38/5		9.06				45	33	Do. 6pc 26 St. Ass.		45		2.40		74.44			
102/8	100/1	Treas. 11-1/2pc 1989		100/8		11.47	10.91			53/8	48/2	Com. 3pc 1/2pc AH		52/1		6.56				45	33	Do 4pc Mined Ass.		45		2.40		74.44			
101/4	99/3	Treas. 9-1/2pc 1989		99/8		10.50	10.85			52/8	48/2	Consol 6pc		52/8		9.26				45	33	Do 4pc Mined Ass.		45		2.40		74.44			
97/8	95/3	Treas. 10-1/2pc 1989		96/8		8.46	-4	3.12	8.23	20/8	20/3	Treas. 2pc		27/8		9.15				45	33	Hydro Quebec 15pc 2011		75		2.75		73.67			
102/2	99/1	Exch 10pc 1989		99/8		10.53	10.83			27/8	27/3	Treas. 2pc		27/8		9.15				45	33	Iceland 14-1/2pc 2016		135/8		15.00		10.81			
103/4	100/1	Exch 10pc 1989		100/8		10.98	10.78			27/8	27/3	Treas. 2pc		27/8		9.15				45	33	Ireland 9-1/2pc 91-96		99/8		14.50		11.29			
97/8	95/4	Treas. 5pc 1989-99		98/8		5.26	9.56			27/8	27/3	Treas. 2pc		27/8		9.15				45	33	Do 4pc Mined Ass.		45		2.40		74.44			
104/8	99/4	Exch 10-1/2pc 1989		98/8		10.27	10.38			27/8	27/3	Treas. 2pc		27/8		9.15				45	33	Hydro Quebec 15pc 2011		75		2.75		73.67			
107/8	103/3	Treas. 13pc 1990s		105/8		12.60	10.45			27/8	27/3	Treas. 2pc		27/8		9.15				45	33	Iceland 14-1/2pc 2016		135/8		15.00		10.81			
104/8	100/4	Exch 10pc 1990		106/8		10.93	10.45			27/8	27/3	Treas. 2pc		27/8		9.15				45	33	Ireland 9-1/2pc 91-96		99/8		14.50		11.29			
107/8	102/4	Exch 10pc 1990		107/8		12.14	10.50			27/8	27/3	Treas. 2pc		27/8		9.15				45	33	Hydro Quebec 15pc 2011		75		2.75		73.67			
93/8	91/4	Treas. 8pc 1987-90		94/8		8.56	-1	3.29	8.66	12/8	11/7	Treas. 2pc IL 90/84.6		12/8		11.15				45	33	Greek 7pc Ass.		45		3.50		77.78			
99/8	96/4	Treas. 8pc 1987-90		98/8		8.56	-1	3.29	8.66	10/8	9/7	Treas. 2pc IL 90/84.6		10/8		11.15				45	33	Do 6pc 26 St. Ass.		45		2.40		74.44			
102/8	97/4	Treas. 8pc 1987-90		98/8		8.20	-1	3.29	8.41	10/8	9/7	Treas. 2pc IL 90/84.6		10/8		11.15				45	33	Do 4pc Mined Ass.		45		2.40		74.44			
103/8	98/4	Treas. 10pc 1990		104/8		10.09	-1	4.44	12/7	12/6	Treas. 2pc IL 90/84.6		12/6		11.15				45	33	Amer. Cyanamid 5.5		27		3.10		71.20				
91/8	88/8	Exch 10pc 1990		92/8		2.83	-1	8.16	11/4	10/3	Treas. 2pc IL 90/84.6		10/3		11.15				45	33	Amer. Express 60c		16/8		7.40		2.27				
107/8	102/8	Exch 11-1/2pc 1991		108/8		11.44	-1	10.42	11/1	10/1	Treas. 2pc IL 90/84.6		10/1		11.15				45	33	Boehringer Ingelheim Int'l		9/10		7.20		4.44				
95/8	91/4	Funding 5-5/4pc 87-91		91/8		6.30	-1	3.43	10/5	10/4	Treas. 2pc IL 90/84.6		10/4		11.15				45	33	American T. & T. 5.1		14/8		5.10		4.85				
105/8	97/4	Treas. 3pc 1991		106/8		10.02	-1	10.89	10/9	10/8	Treas. 2pc IL 90/84.6		10/8		11.15				45	33	America 5.1		5/1		5.40		6.0				
107/8	101/4	Exch 11pc 1991		108/8		10.81	-1	10.32	9/1	8/2	Treas. 2pc IL 90/84.6		8/2		11.15				45	33	Amfac		27		3.10		71.20				
98/8	93/4	Treas. 8pc 1991		99/8		8.54	-1	10.27	9/8	8/7	Treas. 2pc IL 90/84.6		8/7		11.15				45	33	Anheuser-Busch 5.1		17/8		6.00		2.0				
113/8	106/4	Treas. 12-1/2pc 1992		114/8		11.93	-1	10.31	10/3	9/2	Treas. 2pc IL 90/84.6		9/2		11.15				45	33	Bankers N.Y. 5.1		21		5.10		5.10				
98/8	93/4	Treas. 8pc 1992		99/8		8.57	-1	10.42	10.25	10/2	Treas. 2pc IL 90/84.6		10/2		11.15				45	33	Bell Atlantic 5.1		45		5.00		5.50				
106/8	100/4	Treas. 10-1/2pc 1992		107/8		10.43	-1	10.25	10.25	10/2	Treas. 2pc IL 90/84.6		10/2		11.15				45	33	BellSouth Corp.		23		5.00		5.50				
108/8	106/4	Exch 12-1/2pc 1992		109/8		11.58	-1	10.34	10/3	9/2	Treas. 2pc IL 90/84.6		9/2		11.15				45	33	Bethlehem Steel 5.1		12		5.00		5.50				
112/8	110/4	Exch 13-1/2pc 1992		113/8		12.25	-1	10.25	10.25	10/2	Treas. 2pc IL 90/84.6		10/2		11.15				45	33	Bowater Inc.		16/2		6.00		2.10				
97/8	92/4	Treas. 8pc 1993		98/8		8.88	-1	10.25	10.25	10/2	Treas. 2pc IL 90/84.6		10/2		11.15				45	33	Brown-Ferrell 75c		11		4.00		2.22				
105/8	99/4	Treas. 10pc 1993		106/8		10.08	-1	10.20	10/2	9/1	Treas. 2pc IL 90/84.6		9/1		11.15				45	33	CPC Int'l. 25c		26		2.00		3.00				
115/8	108/4	Treas. 12-1/2pc 1993		108/8		11.50	-1	10.19	10/2	9/1	Treas. 2pc IL 90/84.6		9/1		11.15				45	33	CSL 5.1		13		5.00		2.00				
Five to Fifteen Years																															
93/8	89/4	Funding 5pc 1993+		94/8		6.72	-1	8.66		109/8	100/3	Africa Do 8-1/2pc 2010		104/8		10.65				45	33	Albotti Laboratories 5.1		26		2.70		2.70			
121/8	113/3	Treas. 13-1/2pc 1993+		113/8		12.09	-1	10.27		104/8	95/3	Africa Do 8-1/2pc 2010		102/8		10.55				45	33	Allegro & W. 1/2pc		40/5		3.00		2.70			
101/8	92/4	Treas. 10pc 1994		92/8		9.15	-1	9.15	10.25	102/8	101/3	Africa Do 8-1/2pc 2010		100/8		10.55				45	33	Amidai 5c		12/3		0.50		0.50			
44/8	42/4	Exch 10pc 1994		42/8		9.15	-1	9.15	10.25	102/8	101/3	Africa Do 8-1/2pc 2010		100/8		10.55	</														

Money Market Trust Funds

Spark Hall, Stone St., Liverpool, LEC1 4EJ	01-2631100	The Monksgate, Plymouth PL1 1SE	07522 24141
CAF CASH Call Fund	9.53	High Int Csa Acc	110.25
CAF CASH 7-day Fund	10.10	7.87	10.81
	7.70	10.55	7.30
	7.27	7.15	5.40
The Charities Deposit Fund			
2 Fore Street, London EC2Y 5AD			
Deposit	10.10	01-5881815	
	-1	10.4913-Mth	
Cartmore Money Management Ltd			
61 Queen St, London, EC4R 1PH			
Call Fund	9.52	01-2341465	
7-day Fund	10.03	9.95	6-Mth
Dollar	6.87	7.70	10.47
	5.27	7.15	5.40
NOTES—Gross rate to those entries, from composite rate of the Net actual rate after deduction of CFT Cr Estate CAR Gross equivalent to basic wage taxpayer-compounded annual rate for Cr frequency interest credited.			
UNIT TRUST NOTES			
Prices are to open, unless otherwise indicated and those designated 5 with a capital letter refer to U.S. dollars. Yields % column in last column shows for all buying expenses.			
Prices of certain older insurance linked plans subject to capital gains tax on sales. Offered prices include all expenses. In Today's opening price a Yield based on offer price of Estimated a Today's open price. It is Distribution free of UK taxes. a Prudential premium insurance plan, a Single premium insurance. a Offered price includes all expenses. In Today's opening price a Yield based on offer price includes all expenses. It bought through manager. Previous day's price. 40 Capital gains, a Suspended & Yield before Jersey tax. 1 Ex-supervision, as Only available to charitable bodies. A Yield column shows annualised rates of NAV increase, sales disregard.			

LONDON SHARE SERVICE

AMERICANS—Contd

1966	Low	Stock	Price	↑ or ↓	No.	Div	Yield
2541 1911 Traco Inc 25	26.4	Stock	47.7	↑ 1.1	112		
2541 1912 Time Inc 33	34.4	Stock	51.00	↑ 1.1	113		
2041 1913 Transamerica 31	19.4	Stock	51.88	↑ 5.6	114		
2041 1914 TRW Corp 10	14.5	Stock	26.6	↑ 2.5	115		
2041 1915 USX 31	16.5	Stock	51.20	↑ 4.2	116		
2041 1916 U.S. Technologies 21	21.5	Stock	51.20	↑ 4.2	117		
2041 1917 U.S. West 10	19.5	Stock	48.48	↑ 4.2	118		
2041 1918 U.S. West Management 31	20.5	Stock	51.48	↑ 4.2	119		
2041 1919 U.S. Windmill 51	15.5	Stock	51.48	↑ 4.2	120		
2041 1920 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	121		

BUILDING, TIMBER, ROADS—Contd

1966	Low	Stock	Price	↑ or ↓	No.	Div	Yield
2041 1921 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	122		
2041 1922 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	123		
2041 1923 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	124		
2041 1924 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	125		
2041 1925 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	126		
2041 1926 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	127		
2041 1927 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	128		
2041 1928 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	129		
2041 1929 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	130		
2041 1930 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	131		
2041 1931 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	132		
2041 1932 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	133		
2041 1933 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	134		
2041 1934 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	135		
2041 1935 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	136		
2041 1936 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	137		
2041 1937 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	138		
2041 1938 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	139		
2041 1939 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	140		
2041 1940 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	141		
2041 1941 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	142		
2041 1942 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	143		
2041 1943 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	144		
2041 1944 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	145		
2041 1945 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	146		
2041 1946 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	147		
2041 1947 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	148		
2041 1948 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	149		
2041 1949 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	150		
2041 1950 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	151		
2041 1951 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	152		
2041 1952 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	153		
2041 1953 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	154		
2041 1954 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	155		
2041 1955 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	156		
2041 1956 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	157		
2041 1957 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	158		
2041 1958 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	159		
2041 1959 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	160		
2041 1960 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	161		
2041 1961 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	162		
2041 1962 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	163		
2041 1963 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	164		
2041 1964 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	165		
2041 1965 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	166		
2041 1966 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	167		
2041 1967 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	168		
2041 1968 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	169		
2041 1969 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	170		
2041 1970 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	171		
2041 1971 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	172		
2041 1972 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	173		
2041 1973 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	174		
2041 1974 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	175		
2041 1975 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	176		
2041 1976 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	177		
2041 1977 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	178		
2041 1978 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	179		
2041 1979 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	180		
2041 1980 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	181		
2041 1981 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	182		
2041 1982 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	183		
2041 1983 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	184		
2041 1984 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	185		
2041 1985 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	186		
2041 1986 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	187		
2041 1987 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	188		
2041 1988 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	189		
2041 1989 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	190		
2041 1990 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	191		
2041 1991 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	192		
2041 1992 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	193		
2041 1993 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	194		
2041 1994 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	195		
2041 1995 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	196		
2041 1996 U.S. Windmill 33 1/2	20.5	Stock	51.48	↑ 4.2	197		
2041 1997 U.S. Windmill 33							

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

Index No.	Day's Change	Est. Earnings Yield% (Max.)	Gross Yield% (Act at 25%)	Est. P/E Ratio (Net)	xd adj. to date	Wednesday August 17 1988		Tue Aug 16	Mon Aug 15	Fri Aug 12	Year ago (approx.)
						Index No.	Index No.				
1 CAPITAL GOODS (209)	804.85	-0.8	3.96	12.30	17.16	804.84	808.72	811.69	811.69	811.69	818.43
2 Building Materials (29)	1025.71	+0.4	4.14	11.06	21.41	1021.33	1013.78	1010.98	1010.98	1010.98	1147.47
3 Contracting, Construction (37)	1599.14	-0.3	3.35	12.45	27.59	1597.22	1604.46	1613.28	1613.28	1613.28	1644.45
4 Electricals (12)	213.52	-0.2	4.46	10.42	47.45	213.51	213.51	213.51	213.51	213.51	213.53
5 Engineering (31)	249.89	-0.1	6.49	3.45	12.99	249.88	250.83	251.86	251.86	251.86	253.28
6 Mechanical Engineering (6)	425.10	-0.1	9.73	4.13	12.75	9.23	425.52	422.15	427.58	427.58	418.27
7 Metals and Metal Forming (7)	485.39	-0.4	9.87	3.93	12.52	7.95	487.55	481.40	482.69	482.69	455.14
8 Motors (14)	281.36	+0.3	11.39	4.48	9.62	6.62	280.91	279.59	284.66	284.66	278.42
9 Other Industrial Materials (23)	1317.86	+0.2	8.96	4.24	12.34	28.49	1314.25	1315.55	1311.32	1311.32	1314.57
10 Other Industrial Materials (23)	1095.94	+0.2	8.95	3.42	14.11	19.26	1093.45	1089.79	1082.79	1082.79	1082.79
11 BREWERS AND DISTILLERS (21)	1132.62	+0.31	3.68	12.22	20.84	1132.23	1125.00	1128.06	1128.06	1128.06	1128.06
12 Food Manufacturing (21)	988.17	-0.4	8.77	3.75	14.59	17.95	984.54	987.41	994.41	995.41	995.41
13 Food Retailing (16)	1968.91	-0.4	8.79	3.39	15.01	38.49	1960.16	1946.16	1970.55	1970.55	1970.55
14 Health and Household (12)	1629.74	-0.4	6.46	2.42	11.21	10.44	1629.74	1629.74	1629.74	1629.74	1629.74
15 Publishing & Paper (17)	527.13	-0.1	9.33	3.87	13.74	9.98	526.44	525.83	520.22	520.22	518.52
16 Publishing & Printing (18)	554.05	+0.1	8.08	4.32	15.54	73.53	553.97	550.29	554.89	554.89	540.47
17 Stores (34)	816.40	-0.3	18.17	4.06	10.93	12.93	814.41	813.76	819.26	819.26	818.43
18 Textiles (17)	592.26	-0.5	11.67	4.80	18.06	12.65	595.38	588.75	596.36	596.36	588.56
19 OTHER GROUPS (93)	890.55	-0.6	11.18	4.42	10.93	19.92	885.57	883.32	894.89	894.89	890.56
20 Agencies (19)	1082.83	+1.0	8.38	2.52	15.09	18.11	1081.71	1084.19	1074.14	1074.14	1064.05
21 Chemicals (21)	1050.72	-0.4	12.44	4.43	9.48	35.79	1046.16	1042.56	1071.23	1071.23	1071.23
22 Conglomerates (13)	1017.94	-0.5	11.27	4.44	11.05	10.44	1017.94	1016.34	1020.47	1020.47	1016.34
23 Department Stores (12)	1940.46	-0.4	11.06	4.63	11.05	24.38	1932.03	1932.03	1950.84	1950.84	1923.07
24 Telecommunications (2)	950.17	-0.3	11.49	4.49	11.10	20.38	947.51	943.31	946.16	946.16	944.81
25 Miscellaneous (26)	1283.53	+1.1	11.34	4.30	10.08	26.64	1198.32	1192.16	1202.17	1202.17	1194.81
26 INDUSTRIAL GROUP (488)	976.74	-0.3	9.86	3.93	12.62	19.41	973.74	970.43	981.13	981.13	1147.84
27 Oil & Gas (2)	1789.11	-0.1	10.61	6.06	12.10	64.62	1786.69	1785.99	1784.99	1784.99	1784.99
28 ALL-SHARE INDEX (710)	1830.91	+5.6	1822.5	1822.8	1825.3	1816.8	1843.41	1835.3	1839.3	1837.4	1837.4
29 FT-SE 100 SHARE INDEX	1830.91	+5.6	1822.5	1822.8	1825.3	1816.8	1843.41	1835.3	1839.3	1837.4	1837.4

FIXED INTEREST

AVERAGE GROSS REDEMPTION YIELDS

Wed Aug 17

Tue Aug 16

Year ago (approx.)

PRICE INDICES	Wed Aug 17	Day's % change	Tue Aug 16	xd adj. today	xd adj. 1988	AVERAGE GROSS REDEMPTION YIELDS		Wed Aug 17	Tue Aug 16	Fri Aug 12	Year ago (approx.)
						Low	High				
British Government						1.90	2.13	1.90	1.90	1.90	2.13
5 years	119.53	-	119.52	-	7.57	5.40	7.57	5.40	5.40	5.40	5.13
2-5 years	135.61	+0.03	135.58	-	8.61	6.50	8.61	6.50	6.50	6.50	8.48
Over 15 years	147.77	-	147.77	-	7.66	5.40	7.66	5.40	5.40	5.40	10.31
4 Irredeemables	166.59	+0.02	166.55	-	7.30	5.40	7.30	5.40	5.40	5.40	9.80
All stocks	133.25	+0.02	133.23	-	8.30	10	8.30	10	8.30	8.30	9.72
Index-Linked						12.50	12.50	12.50	12.50	12.50	12.50
5 years	127.11	+0.06	127.72	0.69	1.81	5.40	5.40	5.40	5.40	5.40	2.94
Over 5 years	120.69	+0.10	120.58	-	2.28	5.40	5.40	5.40	5.40	5.40	2.80
All stocks	121.05	-0.09	121.00	0.06	2.24	15	15	15	15	15	3.99
Debentures & Loans	118.00	-	118.00	-	7.11	16	16	16	16	16	10.80
Preference	92.16	-0.04	92.20	-	3.61	17	17	17	17	17	10.69
Opening Index 1827.1; 10 am 1822.9; 11 am 1823.6; Noon 1828.2; 1 pm 1828.0; 2 pm 1827.5; 3 pm 1827.7; 3.30 pm 1828.2; 4 pm 1831.9											

1 Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London EC4P 4BZ, price £50, by post 32p.

RISES AND FALLS YESTERDAY

British Funds	Calls	Falls	Same
Corporate, Dominion and Foreign Bonds	25	3	27
Industrial	417	25	45
Financial and Properties	156	101	309
Oils	35	2	52
Plantations	1	0	12
Mines	29	43	111
Others			

COMMODITIES AND AGRICULTURE

Miners' strike in Peru ends with indexed pay deal

By Veronica Beruffati in Lima

THE MINERS' strike in Peru, 30 days long, which cost the country \$140m in lost metal production, ended on Tuesday evening with the signing of a deal between the Government of President Alan Garcia and the National Federation of Miners.

The deal, to be published tomorrow in *El Peruano*, the state daily, consists of a supreme decree and a ministerial resolution.

These recognise the federation's right to collective bargaining and provide for the setting up within 30 days of a negotiating committee of representatives of government, employers and workers.

Miners' benefits include:

- Indexation of wages to inflation, which is expected to exceed 400 per cent this year.
- Retirement at the age of 45 years for miners who have worked underground for at least 10 years, and at 50 for other miners with at least 10 years' service.

A government official, who preferred to remain anonymous, said the combination of terrorist attacks on electricity installations at the end of July and the month-long strike would cause a fall of 30 per cent to 40 per cent in the annual output of zinc alone.

The world zinc at a time higher zinc prices on the world market could have helped to boost the sagging Peruvian

Australian metals project approved

By Kenneth Gooding, Mining Correspondent

Peru is usually the world's second-biggest producer of zinc, accounting for about 11 per cent of non-communist world supplies.

Our Commodities Staff writes: Although the Peruvian

news was bearish on the continuing tight supply/demand situation prevented a sharp reaction on the zinc market.

With dollar strength against sterling lending extra support to the cash position on the London Metal Exchange lost only 2% of this week's earlier \$215m rise to close at \$736 a tonne.

In Frankfurt yesterday Metallgesellschaft said it was raising its European zinc producer price from \$1,200 to \$1,275 a tonne. The rise, which is likely to be followed soon by other suppliers to the European market, is the first change in the price since July 14, when it was cut from \$1,350 a tonne.

• In Canada, meanwhile, Falconbridge, the non-communist world's second-biggest nickel-producer, was resuming talks yesterday with the Mine Mill & Smelter Workers Union it was trying to reach a new contract covering its Sudbury mining operation in Ontario, writes Robert Gibbs in Montreal.

Armed Resources and Australian Consolidated Minerals between them have a 45 per cent stake through their jointly-owned Murchison Zinc Co, which will be the project operator.

Copper and zinc over-supply 'massive'

By Kenneth Gooding

A MASSIVE over-supply of copper and zinc in concentrates would occur between next year and the end of 1991 and refined copper prices were likely to fall steeply, said Metals and Minerals Research Services, a London-based consultancy.

Zinc producers were more likely to protect the price of their refined metal by cutting mine output, the group said in its Base Metal Concentrates newsletter.

It said more than 600,000 tonnes a year would be added to copper concentrate supplies, compared with current annual output of about 6.5m tonnes, by:

• New, high-grade, low-cost copper mines from Escondida property, Chile.

• RTZ Corporation's Neves Corvo project, Portugal.

• Increased output from Ok Tedi in Papua New Guinea and BP Minerals' Bingham Canyon in Utah.

As for zinc, Cominco's Red

Dog mine in Alaska combined with developments in Australia at Hellyer, Lady Loretta, Golden Grove Thalanga and elsewhere would add more than 400,000 tonnes a year to concentrate output currently running at an annual 5.8m tonnes.

At the same time, expected mine closures would be held back and be behind schedule. Mr Simon Hobson, a MAMRS director, said yesterday: "It is unlikely anything we have ever seen before."

There would be a much slower growth in smelter capacity to treat the concentrates, which in copper's case contained about 25 per cent to 27 per cent pure metal and for zinc 30 per cent to 30 per cent metal.

Mr Hobson said smelters already had enough capacity to meet expected demand for refined base metal concentrates.

MAMRS said "a huge static surplus of zinc in concentrates (of more than 300,000

tonnes per year) is likely to emerge at the start of the 1990s" and "a widespread and massive oversupply of copper concentrate is threatened."

So it could be expected that treatment and refining charges paid by miners to smelters would rise substantially unless concentrate output were curtailed.

However, MAMRS said that, while the international conglomerates which dominate the zinc market might cut mine output to avoid surpluses, it was unlikely copper-producers would do the same, because they tended to be state-owned companies or publicly-owned.

Mr Hobson said:

"If the smelters were encouraged by high charges to work at capacity, this would produce a surplus of refined metal and force prices down."

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EC hormones scandal draws angry reactions

By Tim Dickson in Brussels

THE European Community's latest hormones scandal - the illegal injection of 15,000 calves, mainly in the West German state of North Rhine Westphalia - has drawn angry reactions from both sides of the debate.

The European Federation of Animal Health (Fedesa), the lobby which brings together leading pharmaceutical companies, has said black-market hormone cocktails of the kind apparently used in the West German case can only be stopped by allowing the licensed, controlled use of five safe hormones included in this year's EC-wide ban on hormones.

The venture is one of the few non-gold projects to be started in Australia for many years.

With dollar strength against sterling lending extra support to the cash position on the London Metal Exchange lost only 2% of this week's earlier \$215m rise to close at \$736 a tonne.

The partners in it said yesterday that the deposit was world-class and that arrangements had been made to sell the metal concentrates to customers in south-east Asia and Europe.

Production should start in two years' time at the rate of 800,000 tonnes of ore a year from reserves estimated at 10.5m tonnes containing 11.7 per cent zinc; 1.2 per cent copper; 89 grams a tonne silver and 1.1 grams a tonne gold.

Two concentrates will be produced, one containing zinc and the other copper and precious metals.

Productions in the first five years will average 152,000 tonnes a year of zinc concentrates and 17,000 tonnes of copper-precious metals concentrates.

Armed Resources and Australian Consolidated Minerals between them have a 45 per cent stake through their jointly-owned Murchison Zinc Co, which will be the project operator.

THE CARIBBEAN ethanol industry, which is in an early grave because of difficulty in obtaining preferential access to the US market, has been given a last-minute reprieve.

Provisions in the US Trade

Act, recently passed by Congress, will allow Caribbean ethanol with low value added to sell to the US market. A third plant, located in Jamaica, will be closed at the end of this year.

This follows the announcement this month of a so-called open tender for several East European countries with a minimum quantity of 25,000 tonnes per bid.

Particular interest has been

expected from the Soviet Union in view of last month's

United butter and beef deal with Moscow.

Contrary to expectations, no offers were accepted at the management committee last Thursday in Brussels. Officials say the prices submitted were too low.

• Nothing, to its knowledge, has been done to control manufacturers' hormone stocks since the prohibition. BEUC says the therapeutic use

of hormones which is still permitted should only account for a tiny amount of previous output.

• Controls on the rearing, slaughtering and selling of animals are insufficient in the EC and are not vigorously enforced. Research into hormone-detection methods ought to be given higher priority.

• Steps should be taken to ensure that hormones meant for therapeutic purposes are not used for fattening.

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part of a year waiting for the US Congress to agree to our position.

The problems which faced the industry also threatened proposed investments in ethanol plants in the Bahamas, El Salvador and the Dominican Republic, valued at about \$100m.

The region's fledgling ethanol industry is based on growing demand for the product in the US, where it is used as an additive to motor-vehicle fuel.

Several governments saw the new industry as an alternative use for sugar cane.

US reprieves Caribbean ethanol industry

By Canute James in Kingston

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Mr William Saunders, general manager, Petroleum Corporation of Jamaica, which had closed its ethanol subsidiary, said the act had given the region's industry some breathing space.

He said: "We are preparing to reopen our plant and get back on stream. The only regret is that we lost the better

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NEW YORK STOCK EXCHANGE COMPOSITE PRICES

3pm prices August 17

Continued on Page 3

AMERICA

Focus on currencies subdues Dow

Wall Street

EQUITIES and bonds moved modestly lower yesterday, reversing the rather surprising rallies on Tuesday after the release of a larger-than-expected US trade deficit in June, writes *Janet Bush* in New York.

At 2pm, the Dow Jones Industrial Average stood 8.85 points lower, at 2,013.16. Volume totalled 121m after the morning session but activity was boosted by heavy trading in stocks about to go ex-dividend. Genuine activity was light.

US Treasury bonds showed some firmness in the short end of the yield curve but longer maturities slipped. By mid-session, the prices at the long end of the curve were quoted around 1% point lower.

The Treasury's benchmark long bond was under pressure after some heavy buying of this issue was reported in the wake of Tuesday's trade figures. At mid-session yesterday, the long bond was quoted 1% point lower to yield 9.45 per cent.

Trading was fairly quiet in both bond and stock markets

as attention was focused on events in the currency markets where the dollar has been in strong demand. The Federal Reserve and the Bundesbank were seen selling dollars in New York and Frankfurt.

The rally in the dollar has been the most surprising aspect of financial markets this week and has kept a floor underneath bonds and equities. There seems to be genuine demand for the dollar because of higher US interest rates. However, many currency economists believe that the current upward trend in the dollar will reverse because of adverse economic fundamentals.

Among featured stocks was Enesco, the environmental consulting service, which jumped 3% to \$10 in over-the-counter trading after the company said it was talking to two multinational corporations about a possible takeover.

Farmer's Group jumped 3% to 567/8 after news that it had decided to meet representatives of the US subsidiary of Britain's BAT Industries to discuss its sweetened offer of \$72 a share.

EUROPE

Rallies aided by rise in dollar and company news

THE STRONGER dollar and healthy corporate results proved a boon for share prices in Europe yesterday, and most bourses ended higher, although turnover remained low, writes *Our Markets Staff*.

FRANKFURT was buoyed by good company results and the firmer dollar, with turnover still low but well up on the previous two days.

The dollar staged a strong recovery over the session, starting at DM1.835, after a DM1.8720 close on Tuesday, and rising to DM1.905 by mid-afternoon. That helped boost demand for German shares from DM1.70m on Tuesday to DM2.77m, while share prices rose 2 per cent, with the DAX index up 22.42 to 1,182.18.

Steel and engineering group Mannesmann, reporting improved interim profits, rose DM4.50 to DM7.50, while Viesg, the energy, aluminium and chemicals group, put on DM6.50 to DM22.80, turning in 7 per cent higher in year sales.

Chemicals group BASF announced an 18.3 per cent climb in interim group pre-tax profits, and rose DM6.20 to DM26.30. Other chemicals followed suit, with Hoechst up DM4.50 to DM21.20 and Bayer, which reports today, DM6.60 higher at DM22.80.

The US trade deficit figures were interpreted as containing potentially good news for West German exports. A large proportion of US imports was taken up by capital goods, and West Germany is seen as a substantial source of those goods.

Bonds were little changed, with the yield on the federal 6% per cent 1998 unit at a steady 6.81 per cent.

PARIS gained ground, again in relatively thin volumes, with speculative interest adding a bit of spice to an otherwise dull market.

The CAC General index opened the day up 0.3 at 343.7 and by the end of the session share prices were 1 per cent higher at 350.53, a gain of 3.76.

Volumes were estimated to value about FF1.1bn, with most trading seen in such stocks as Societe Generale and drinks group Pernod.

Societe Generale, where trading volumes in France were

resilient of Wall Street, and the FTSE 100 index closed higher, up 5.6 points at 1,830.9. Turnover was average as investors stayed on the sidelines awaiting today's bank lending and money supply figures. International favourite Hanson saw continued strong demand.

Estimated to be as high as 80,000 shares, rose FF1.17, or 4.6 per cent, to FF1.38 amid rumours that a stake was being built up in the bank, possibly by Deutsche Bank of West Germany.

Pernod, with 38,000 shares dealt, put on FF1.28 to FF1.07, still benefiting from talk of a possible link with Irish Distillers. If the two did join forces, Pernod would benefit from Distillers' distribution network as well as overall synergy, said one French analyst. There was no agreement. Pernod could probably sell any stake it had for capital gains given the current bad battle for Distillers.

AMSTERDAM closed sharply higher, with the CBS all-share trend index up 2.8 points, or almost 3 per cent, at 97.4. A generally calm reaction to the US trade figures and a recent round of good company results added to favourable basic sentiment and triggered fair demand.

NMB bank, which published a 54 per cent surge in half-year net profits on Tuesday and saw its stock suspended from trading 15 minutes before the official close, rose FF1.11 to FF1.12.50 after all of Tuesday's trades were cancelled. Bourse officials said the results were not distributed simultaneously.

Retailer Ahold was suspended after news that Ahold had agreed to take a 45 per cent stake in retailer Schuitema, increasing its holding to 55 per cent. Ahold, which gave no financial details of the deal, closed at FF1.83.30 on Tuesday.

Trading company Hunter Douglas traded FF1.60 higher at FF1.65.40 after Tuesday's good result.

ZURICH recovered some of its recent losses as investors reacted favourably to the rebound in the dollar and the

Varo added 3% to \$227 after it said it would consider a \$2-a-share offer by United Scientific Holdings of Britain.

Armetek added 5% to 544% after the company said that it had rejected an offer worth \$40 a share from Mark IV Industries. Mark IV's stock slipped 3% to \$10.4.

Envirodyne fell 5% to \$266 after the company said that it talked about a possible acquisition by Artra Group, which owns a 5.7 per cent stake, had been broken off. Artra was unchanged at \$266.

However, it also said it had held informal and highly preliminary discussions with several parties about a possible takeover.

Among blue chip issues, International Business Machines dropped 5% to \$114, American Telephone Telegraph slipped 5% to \$24.7 and Procter & Gamble fell 5% to \$72.7.

Canada

EARLY gains were eaten up by falling gold and base metal issues, and the composite index easing 1.5 to 3,267.3 at mid-session. It rose 6 points in early trading.

Among most actives, Canadian Pacific slipped C\$1% to C\$2.2 and Alcan Aluminum fell C\$1% to C\$3.5.

ASIA PACIFIC

Nikkei climbs steadily as turnover improves

Tokyo

NEWS OF the unexpectedly high June US trade deficit was calmly received in Tokyo yesterday. Share prices rose steadily in improved volume and the Nikkei average topped the 20,000 level for the first time in a week, writes *Michiko Nakamoto in Tokyo*.

The Nikkei took encouragement from Wall Street's overnight rally, opening 154.60 higher from Tuesday's close and rising 223.31 to finish at 22,178.86. The day's high was 22,181.48, the low 22,030.10.

Volume was much stronger than in the first two days of this week at 297.4m shares, up from Tuesday's 234m.

In London, Japanese stocks slipped 1.35 from the Tokyo close as the YSE/Nikkei 50 index finished at 1,861.09.

Analysts in Tokyo were generally relieved at the US trade figures. "Everybody was preparing for the worst so that once the figures came out, they didn't look so bad after all," said Mr Peter Simpson, a trader at S.G. Warburg Securities.

Some analysts forecast a stronger market towards the end of the month, with trading volume expected to increase. For the past six years, turnover decreased both in mid-August and mid-September, but rose in the period in between, according to an analyst at Daiwa Securities.

Others were less enthusiastic. Mr Jonathan McClure, institutional sales department manager at Schroder Securities, said: "The volume of trading was not particularly impressive and the bond market was not really strong enough to justify the Nikkei's rebound."

Buying interest focused yesterday on shares of companies that have been popular recently on the basis of their hidden assets. Ishikawajima-Harima Heavy Industries, which owns property along the Tokyo Bay - an area attracting interest for its redevelopment possibilities - rose Yen 234.

Only banks were subdued. Utility Telefónica rose by 1.25 percentage points to 194.75 per cent of nominal market value.

FT-ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	TUESDAY AUGUST 16 1988			MONDAY AUGUST 15 1988			DOLLAR INDEX				
	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div.	US Dollar Index	Pound Sterling Index	Local Currency Index	1988 High	1988 Low	Year Ago
Australia (557)	145.61	-1.5	125.75	120.74	5.59	146.14	128.25	121.91	150.71	91.16	138.04
Australia (12)	97.34	+1.2	75.23	84.62	2.46	98.23	75.75	64.26	101.18	62.72	92.72
Belgium (531)	112.26	+0.8	96.82	109.77	4.60	111.42	96.46	109.77	139.89	99.14	133.18
Canada (120)	118.30	-0.1	102.03	105.19	3.19	118.46	102.55	104.99	126.91	107.06	138.29
Denmark (579)	122.68	+0.5	119.38	2.43	122.04	105.65	119.63	132.72	111.42	117.09	
Finland (265)	122.40	+0.2	102.00	111.38	2.43	122.03	105.50	117.36	139.51	106.78	
France (1,000)	89.91	+0.0	77.54	89.42	2.43	89.42	77.53	81.71	101.52	70.79	107.57
West Germany (1,000)	73.77	-0.4	63.62	71.79	2.58	74.06	64.12	72.43	80.79	57.78	104.34
Hong Kong (463)	105.40	-0.3	90.90	105.60	4.50	105.77	91.57	105.97	111.86	84.90	140.88
Ireland (16)	129.14	+0.1	111.37	126.84	3.26	129.09	111.68	127.65	144.25	104.60	140.34
Italy (1,022)	72.11	+0.9	62.20	74.71	2.70	71.51	61.90	74.52	81.74	62.99	85.79
Japan (456)	148.74	+1.2	128.45	145.97	1.45	148.76	141.77	137.93	177.27	133.61	144.33
Malta (16)	150.43	+1.7	129.74	176.32	1.45	147.90	128.04	126.17	154.07	104.07	149.00
New Zealand (320)	101.89	-0.3	87.88	98.29	4.65	102.20	88.48	99.08	110.66	52.23	128.94
Norway (201)	78.35	-0.8	67.57	62.98	5.85	78.96	68.36	63.53	84.05	54.42	120.51
Spain (26)	114.05	-0.6	98.36	106.07	2.84	114.77	95.38	107.52	132.23	98.55	166.96
Singapore (26)	129.05	+0.6	111.30	120.96	2.18	128.29	111.04	120.48	135.69	97.99	171.45
South Africa (60)	111.85	+0.2	97.33	101.81	4.81	110.67	95.81	87.96	139.07	109.87	169.44
Sweden (145)	144.45	+0.0	120.75	135.97	3.26	121.21	104.45	104.45	154.07	107.52	142.85
Switzerland (23)	113.34	-0.8	97.75	107.89	2.32	112.40	97.31	107.12	122.50	96.92	118.18
Switzerland (555)	75.93	-0.6	65.49	73.93	2.32	76.38	66.13	74.75	86.75	57.60	107.62
United Kingdom (524)	131.28	+0.8	113.22	113.22	4.47	110.24	112.76	112.76	141.18	123.09	147.19
USA (580)	106.40	+0.7	91.77	106.40	3.74	105.65	91.46	105.65	112.47	99.19	134.43
Europe (1,013)	103.87	+0.4	89.59	95.96	3.79	103.49	89.60	96.07	110.82	97.03	123.58
Pacific Basin (572)	160.97	+0.1	13								